ISGEC

90 years & Going Strong
Estb. 1933

Harnessing Technology. Sustaining Growth.

2022-23
Annual Report

Contents

01-13

Corporate Overview

Harnessing Technology. Sustaining Growth. 1

Isgec - A Legacy of Excellence 2

Our Journey Over 90 Years 6

Quality Accreditations 8

Our Strong Report Card 9

Board of Directors 10

Corporate Information 12

14-96

Statutory Reports

Board's Report 14

Management Discussion & Analysis 23

Report on Corporate Governance 40

Business Responsibility and Sustainability Report 60

97-275

Financial Statements

Standalone Financial Statements 98

Consolidated Financial Statements 185

View or download this report at
www.isgec.com

Forward-looking statement

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

Harnessing Technology. Sustaining Growth.

In our 90-year-old journey, we have transitioned from a sugar manufacturing company to a well-diversified heavy engineering company. Over the decades, we have consistently risen to challenges, evolved, adapted and diversified our business to deliver exceptional performance year after year. Today, our products and services have transcended borders and are known for excellence and quality.

With the ongoing proliferation of emerging technologies, we have been continuously strengthening our core competencies by investing in technology upgradation and prepping up to build a future-ready organisation. We hope to improve productivity, streamline operations, improve process efficiency, ensure cost reduction, and meet the growing demands of customers by harnessing technology. With our prudent strategy, the Company is well-positioned to take advantage of new opportunities stemming from emerging realities and remain poised to deliver sustained growth in the future.

Company Overview

Isgec - A Legacy of Excellence

ABOUT US

Isgec Heavy Engineering Ltd. is a multi-product and multi-location engineering company headquartered in India, providing engineering solutions to customers around the world. Established in 1933, we started off with an offering of Sugar Machinery and Boilers and over the decades, have transformed into a diversified heavy engineering company engaged in manufacturing and project businesses with an extensive global presence.

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

With our engineering prowess, Isgec caters to the demands of a wide range of industries: power, defence, fertiliser, sugar, oil & gas, petrochemicals, automobile, steel, cement, chemicals, railways, space and ports.

Our motto has been to deliver excellence through our products and services that will help our customers achieve excellence in what they do. Our proven engineering skills, vast experience, and diversified portfolio have helped us to create lasting impressions across multiple geographies. Over the years, our successful technological partnerships with leading global companies and joint ventures have helped us to keep pace with the latest technological advances. Isgec is ranked 294 in the Fortune India 500 listing and 298 in the ET 500 ranking.

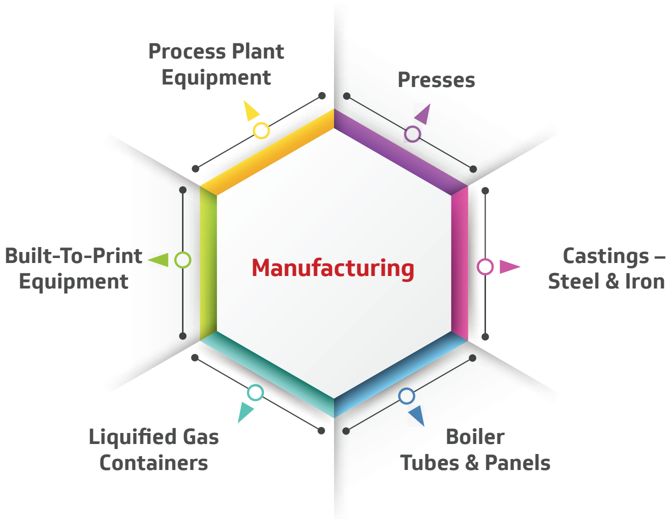
GLOBAL PRESENCE

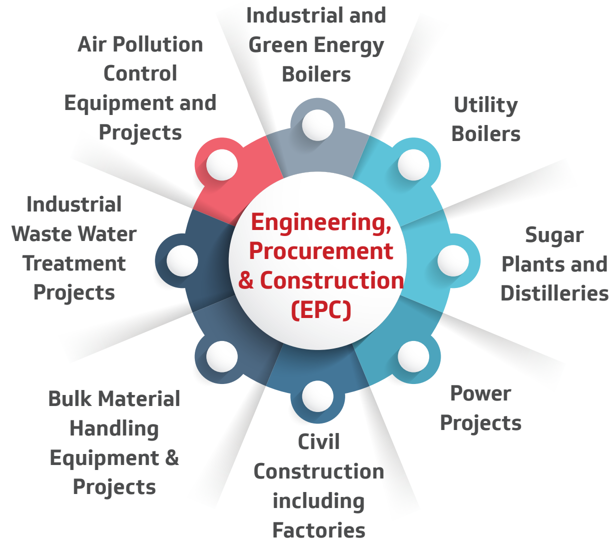
91
countries worldwide

6
continents

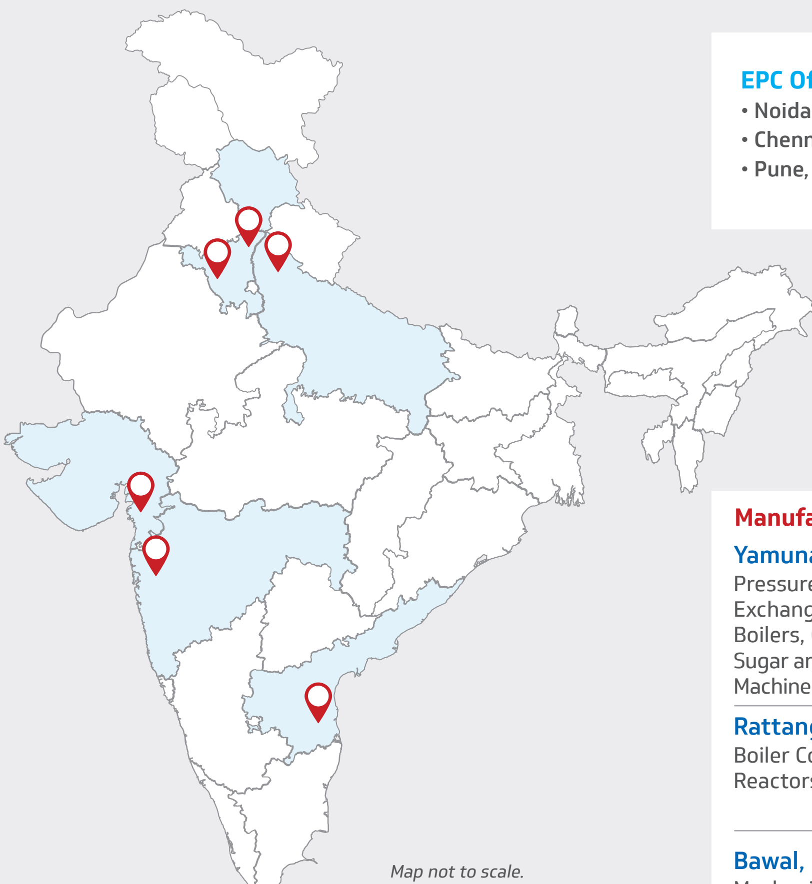
BUSINESS SEGMENTS

A diversified player in Manufacturing and Engineering, Procurement & Construction (EPC) Project Segments.





MANUFACTURING LOCATIONS & DESIGN OFFICES



Map not to scale.
For illustrative purposes only.

EPC Offices

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

Overseas Facility

- Eagle Press & Equipment Co. Ltd. Windsor, Canada
- Cavite Biofuel Producers Inc. (CBPI), Philippines

Manufacturing Plants

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

Muzaffarnagar, UP
Steel Castings

Rattangarh, Haryana
Boiler Components, Headers, Reactors, Piping

Isgec Hitachi Zosen Dahej, Gujarat
Pressure Vessels, Columns, Heat Exchangers, Reactors

Bawal, Haryana
Mechanical Presses and other Industrial Machinery

Saraswati Sugar Mills Yamunanagar, Haryana
Sugar Mill and Ethanol Plant

OUR MARQUEE CLIENTELE

SUBSIDIARIES AND JOINT VENTURES

Isgec Heavy Engineering Ltd.

100%

Saraswati Sugar Mills Ltd.
One of the Largest & Oldest Sugar Mills in India

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

90%

Cavite Biofuel Producers Inc.
(Step down subsidiary of Isgec Investments Pte. Ltd.)
Bioethanol Plant in the Philippines

51%

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

Isgec Titan Metal Fabricators Pvt. Ltd.
JV with Titan Metal Fabricators, USA to manufacture corrosion-resistant Process Plant Equipment

Isgec SFW Boilers Pvt. Ltd.
JV with Amec Foster Wheeler (now Sumitomo SHI FW Energia, Oy, Finland)

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

TECHNOLOGY PARTNERSHIPS

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

AP&T
Sweden

Babcock Power Environmental Inc.
USA

BHI FW Corporation
South Korea

CB&I Technology Inc.
USA

Envirotherm GmbH
Germany

Fuel Tech Inc.
USA

Siemens Heat Transfer Technology b.v.
Netherlands

Sumitomo SHI FW Energia Oy
Finland

Thermal Engineering International (TEi)
USA

KEY INDICATORS

4,500+
Employees across different geographies

1,200+
Qualified engineers

₹ 6,41,171 Lakh
Revenue

₹ 46,728 Lakh
EBITDA

₹ 20,554 Lakh
PAT

₹ 8,32,100 Lakh
as on 31.03.2023
Order book

₹ 2,39,209 Lakh
as on 31.03.2023
Net worth

AA (Stable) and A1+
Credit rating by ICRA

Our Glorious Legacy

Our Journey Over 90 Years

1933
Established the Company (formerly known as Saraswati Sugar Syndicate Ltd.)

1946
Established Indian Sugar & General Engineering Corporation (Isgec Heavy Engineering Limited) to cater to the needs of the Indian capital goods industry

1963
Merged Saraswati Sugar with Isgec

1965
Formed Isgec John Thompson Ltd. (IJT) for designing, supplying, erecting, and providing after-sales service of Boilers

1967
Formed Presses Division

1973
Merged Isgec John Thompson Ltd. (IJT) with Isgec

1981
Acquired Steel Castings unit

2007
Company's turnover crossed ₹ 1,000 Crore

2008

- Listed in Group B of the Bombay Stock Exchange
- Set up a new Plant at Dahej, Gujarat to manufacture heavier and bigger Process Plant Equipment for the overseas market

2009

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

2012

- Entered into a JV with Hitachi Zosen Corporation, Japan for manufacturing specialised and critical Process Equipment (51% share with Isgec)
- Company's turnover crossed ₹ 3,000 Crore

2015

- Formed JVs with:
  - Sumitomo SHI FW Energia, Oy, Finland;
  - Titan Metal Fabricators, USA;
  - Redecam, Italy
- Company's turnover crossed ₹ 4,000 Crore

2018

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

2020

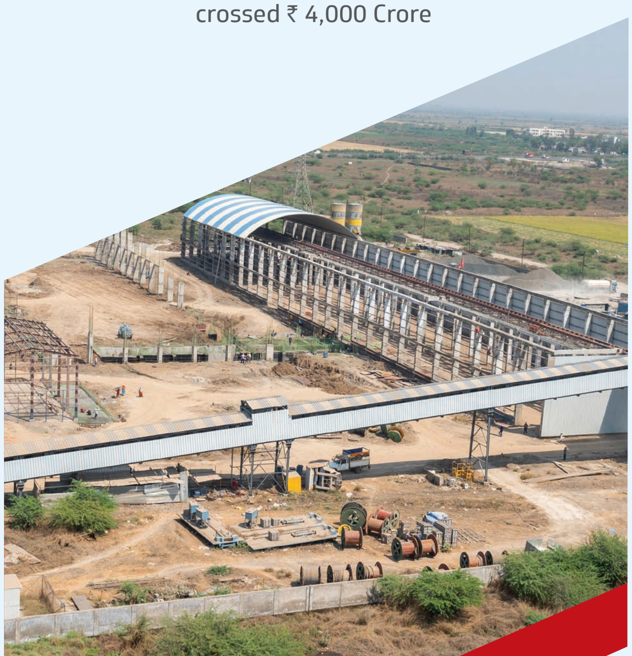
- Company's turnover crossed ₹ 5,000 Crore

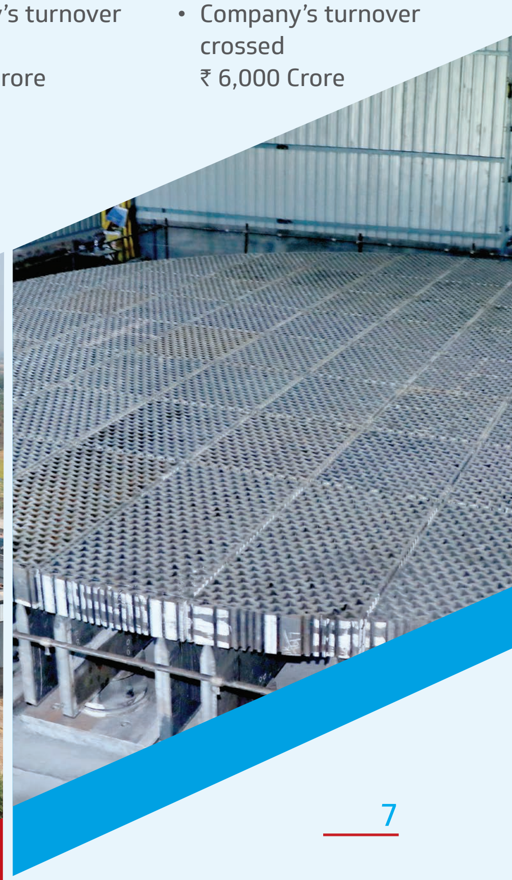
2021

- Commissioned Ethanol Plant at Saraswati Sugar Mills, Yamunanagar

2023

- Company's turnover crossed ₹ 6,000 Crore





Quality Accreditations

Quality is one of the core values at Isgec. Over the years, the Company has gained many accreditations from the most renowned organisations worldwide. Some of our accreditations are as follows:

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environmental Management System

ISO 45001:2018 Occupational Health and Safety Management System

ASME 'S' 'U' 'U-2' & 'U-3' Stamps

'R' Stamp

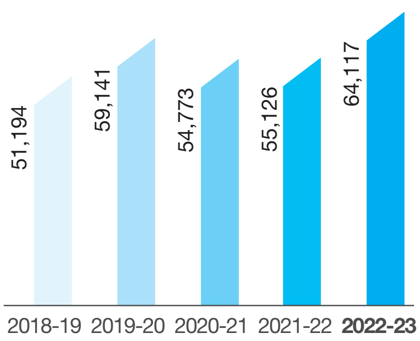
'NB' Stamp

China Safety Quality Licence

Our Strong Report Card

Revenue

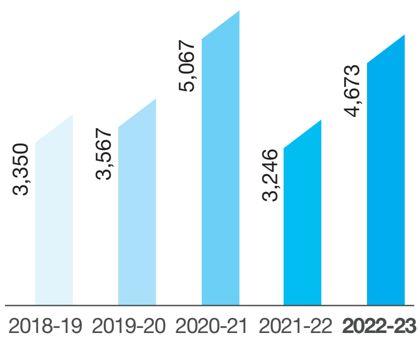
(₹ Mn)



4-Year CAGR 6.1% Y-O-Y 16.3%

EBITDA

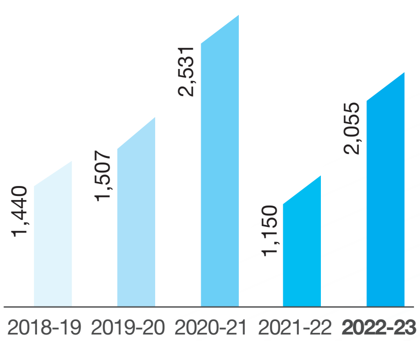
(₹ Mn)



4-Year CAGR 8.7% Y-O-Y 44%

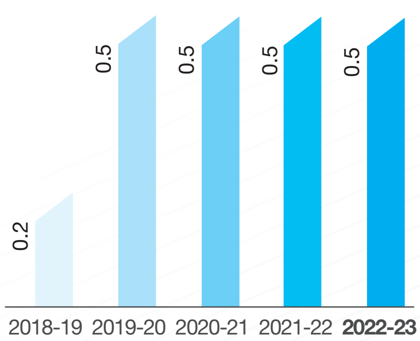
PAT

(₹ Mn)

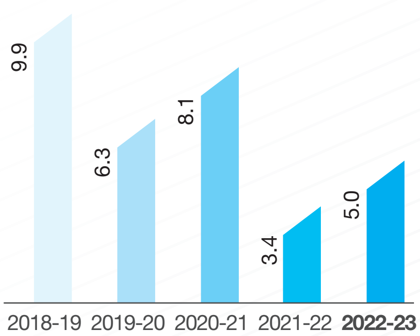


4-Year CAGR 9.3% Y-O-Y 78.7%

Total Debt/Equity



Interest Coverage Ratio



Leadership that instils faith

Board of Directors

C C

Mr. Ranjit Puri, Chairman

Education

B.Sc. Industrial Management from MIT, USA.

Experience

Over 60 years of rich and versatile experience in the Company. Guiding the Company and its Executive Management for the past many decades. Has played a pivotal role in the development of the sugar industry in India, both as a manufacturer of sugar, as well as a manufacturer of sugar plants & machinery. On the Board of other group companies.

M M M

Mr. Aditya Puri, Managing Director

Education

B.A. (Hons.) from St. Stephen's College, India, and M.A. Economics from Cambridge University, U.K.

Experience

Over 30 years of experience with the Company. Joined the Company as Controller of Finance and has worked his way up to be the Managing Director. On the Board of other group companies.

C M M

Mr. Vishal Kirti Keshav Marwaha, Independent Director

Education

C.A. and B.Com (Honours) from the University of Delhi, India.

Experience

Over 25 years of experience, especially in Private Equity and Investment Banking.

C C M M

Mr. Siddharth Prasad, Independent Director

Education

B.Com from Lucknow University, and an Executive MBA from IIM, Lucknow.

Experience

Over 25 years of experience as an Industrialist, running Sugar Plants and Hospitality businesses. Is also on the Board of various other companies.

M M M

Mr. Arvind Sagar, Independent Director

Education

B.Tech. in Mechanical Engineering from IIT (Banaras Hindu University), Varanasi, and PGDBM in Operations & Marketing from XLRI Jamshedpur.

Experience

Over 30 years of experience in process excellence, change management, business consulting, program management & operations, and supply chain management.

M

Mrs. Rashi Sikka, Independent Director

Education

PGD in Management (Finance) from IIM, Kolkata, and B.Com (Hons.) from Delhi University.

Experience

Over 5 years of work experience in Banking and Credit Rating. Expertise in financial management, financial investments, financial control, taxation, and HR development.

M

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

Education

B.E. (with specialisation in Industrial Production Engineering) from SGSITS, Indore, India.

Experience

Over 30 years of experience in marketing, exports, manufacturing, projects and planning, HR & administration, greenfield projects, joint ventures, and team leadership. Is also the Managing Director of Isgec Hitachi Zosen Ltd., a JV company.

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

Education

B.E. (with specialisation in Industrial Production Engineering) from University of Nagpur, India and MBA (with specialisation in Finance), from IMS, Indore University, India.

Experience

Over 30 years of experience in finance, operations, treasury, investment management, M&A. With the Company since 1998.

Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship & Grievance Committee | Corporate Social Responsibility Committee | Risk Management Committee | Ⓒ Chair | Ⓜ Member

Corporate Information

Mr. Sachin Saluja
Company Secretary & Compliance Officer

Note: Mr. Sachin Saluja took over as Company Secretary & Compliance Officer w.e.f. November 15, 2022.

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

Radaur Road,
Yamunanagar - 135 001
Haryana, India

REGISTRAR & SHARE TRANSFER AGENT

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


ISGEC
ART

Board's Report

1. The Board is hereby pleased to present its report for the financial year ended March 31, 2023.

2. FINANCIAL PERFORMANCE

2.1 The financial performance of the Company is summarized below:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
	Standalone	
Total Revenue	4,68,690.61	4,47,050.42
Total Expenses (before finance cost, depreciation and tax)	**4,35,239.34**	**4,23,538.79**
Profit before finance cost, depreciation and tax	33,451.27	23,511.63
Finance cost and depreciation	10,011.73	8,805.36
Profit before tax and exceptional items	23,439.54	14,706.27
Exceptional items	-	-
Profit before tax but after exceptional Items	**23,439.54**	**14,706.27**
Less: Tax expenses including deferred tax	5,647.22	3,424.38
Profit after tax	17,792.32	11,281.89
Other Comprehensive Income / (loss) (net of tax)	(74.03)	317.90
Total Comprehensive Income	17,718.29	11,599.79
Balance carried to profit & loss account	16,247.70	10,864.49
Basic/ Diluted earnings per share of ₹ 1 each (in ₹)	**24.20**	**15.34**

3. STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

3.1 Standalone and Consolidated Financial Statements for the Financial Year 2022-23 are prepared in compliance with the Companies Act, 2013, Indian Accounting Standards ('Ind-AS') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are forming part of the Annual Report.

3.2 Statement in form AOC-1 containing salient features of the financial statements of the subsidiary and joint venture companies, as required under Rule 5 of the Companies (Accounts) Rules 2014, are annexed to this report as **Annexure - 1**.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

4.1 During the Financial Year under consideration, there was no change in the nature of the business of the Company.

5. There were no material changes and / or commitments affecting the financial position of your Company between April 01, 2023 and the date of this report.

6. AMOUNTS TRANSFERRED TO RESERVES, IF ANY

6.1 The Company has not transferred any amount to the Reserves during the financial year ended March 31, 2023.

7. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

7.1 No company has become or ceased to be a subsidiary, joint venture and associate company during the year under consideration.

7.2 Report on performance of Subsidiaries and Joint Venture companies together with business details is given in Management Discussion and Analysis forming part of this report and is annexed as **Annexure-2**.

7.3 Audited Annual Financial Statements of Subsidiaries and Joint Venture companies are disclosed on website of the Company and may be accessed through the following weblink https://www.isgec.com/aboutus-subsidiaries-annual-reports-investor.php.

7.4 Hard copies of these Financial Statements are kept open for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holidays up to the date of ensuing Annual General Meeting i.e. August 23, 2023 between 11:00 a.m. to 5:00 p.m. as required under Section 136 of the Companies Act, 2013. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or Corporate Office.

8. PARTICULARS OF LOANS, GUARANTEES / INVESTMENTS

8.1 The statement containing details of Loans given, Investments made, Guarantees given, or Securities provided under Section 186 of the Companies Act, 2013 is annexed to this report as **Annexure-3**.

9. RELATED PARTY TRANSCATIONS

9.1 The Company has a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/pdf/PolicyonMaterialityofRelatedPartyTransactionsandonDealingwithRelatedPartyTransactions1822020.pdf.

9.2 During the financial year under consideration, all contracts / transactions entered into by the Company with related parties were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract / arrangement / transaction with related party (ies) which may be termed as material in nature and not executed in ordinary course of business and on not arm's length basis. Hence, details are not required to be furnished in Form AOC-2.

9.3 The Company took necessary approval from the Audit Committee before entering into related party transaction(s) as required under the provisions of the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. DIVIDEND

10.1 Final Dividend for Financial Year 2022-23

Your Directors are pleased to recommend a final dividend of ₹ 3/- per equity share of ₹ 1 each. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result in a total outflow of ₹ 22,05,88,530 (Rupees Twenty Two Crore Five Lakh Eighty Eight Thousand Five Hundred and Thirty only).

10.2 Uncashed / Unclaimed Dividend

The Company has transferred the unpaid or unclaimed dividends (Interim and Final) for past years to the unclaimed dividend accounts of the respective years and the details of the same are uploaded on the website of the Company. Details of Unpaid or unclaimed dividend may be accessed through the following weblink https://www.isgec.com/unclaimed-dividend-investor.php.

10.3 Transfer of Unclaimed Dividend into Investor Education and Protection Fund Authority

10.3.1 Details of dividends transferred into Investor Education and Protection Fund Authority, during the Financial Year 2022-23, are as under:

Amount in ₹

S. No.	Particulars	Unpaid or Unclaimed Dividend Amount
1	Final Dividend for Financial Year 2014-15	8,21,420
2	Interim Dividend for Financial Year 2014-15	8,34,730

10.3.2 The Company has transferred unpaid or unclaimed Interim Dividend for the Financial Year 2015-16 to Investor Education and Protection Fund Authority on April 04, 2023.

10.4 Transfer of Shares into Investor Education and Protection Fund Authority

During the Financial Year 2022-23, the Company has transferred 40,680 equity shares to Investor Education and Protection Fund Authority.

10.5 Dividend Distribution Policy

In compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has Dividend Distribution Policy in place. This policy is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/pdf/Dividend-Distribution-Policy-1219.pdf.

11. SHARE CAPITAL AND CHANGE IN CAPITAL STRUCTURE

11.1 As at March 31, 2023, the Authorized Share Capital was ₹ 8,50,00,000/- divided into 8,50,00,000 equity shares of ₹ 1/- each and Issued, Subscribed and Paid-up Share Capital was ₹ 7,35,29,510/- divided into 7,35,29,510 equity shares of ₹ 1/- each.

11.2 All equity shares in the capital of the Company are fully paid-up.

11.3 During the Financial Year 2022-23, no change has taken place in authorized, issued, subscribed and paid-up share capital of the Company.

11.4 The Company has only one class of shares i.e. equity shares.

11.5 The Company has not issued any kind of debt instrument (Convertible / Non-convertible) or any convertible instruments during the financial year under review.

12. CREDIT RATING

12.1 The Company has obtained credit rating for various fund based and / or non-fund based facilities from ICRA Ltd. The information on Credit Rating is tabulated as under:

S. No.	Fund Based	Non-Fund Based	Fund Based / Non-Fund Based
Long Term	[ICRA] AA (Stable)	-	[ICRA] AA (Stable) / [ICRA] A1+
Short Term	-	[ICRA] A1+	

13. DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL

13.1 **Directors retiring by rotation and re-appointment thereof**

Mr. Sanjay Gulati, Whole-time Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. Based on the recommendation of Nomination and Remuneration Committee, the Board recommends his re-appointment for consideration by the members at ensuing Annual General Meeting. Brief details of Mr. Sanjay Gulati are disclosed separately in the Notice of Annual General Meeting, in compliance with the provisions of Secretarial Standard-2 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13.2 **Appointment / Resignation of Director**

Mrs. Rashi Sikka (DIN: 00320145) was appointed as an additional director in the capacity of Independent Director on the Board of the Company with effect from May 28, 2022. The members of the Company at the 89th Annual General Meeting approved her appointment as an Independent Director for a period of three (03) years from May 28, 2022.

13.3 The Directors of the Company have also made required disclosures / confirmations under Section 164, 184 and other applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors of the Company are disqualified to act as director on the Board of the Company.

13.4 **Declaration by Independent Director(s)**

13.4.1 In addition to the disclosures mentioned in Para 13.3 above, all Independent Directors have furnished declarations to the fact that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

13.4.2 In the opinion of the Board, the Independent Directors possess requisite qualification, experience and expertise (including the online proficiency self-assessment test) and hold highest standard of integrity. They also fulfil the conditions as specified under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the management.

13.5 **Change in Key Managerial Personnel**

13.5.1 After serving for almost 47 years with ISGEC family, Mr. Sudershan Kumar Khorana retired from the services of the Company with effect from June 01, 2022. Accordingly, he ceased to be Company Secretary / Key Managerial Personnel of the Company from this date. The Board placed on record the appreciation of services rendered by him during his long association with the Company.

13.5.2 Ms. Shweta Agrawal was elevated and appointed as Company Secretary and designated as Key Managerial Personnel with effect from June 01, 2022 and took charge on the retirement of Mr. Sudershan Kumar Khorana. She has resigned from the office of Company Secretary / Key Managerial Personnel with effect from November 15, 2022. The Board placed on record the appreciation of services rendered by her.

13.5.3 Mr. Sachin Saluja was appointed as Company Secretary and designated as Key Managerial Personnel with effect from November 15, 2022, and took charge from Ms. Shweta Agrawal.

14. POLICY ON DIRECTORS' APPOINTMENT / REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

14.1 The Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board, a policy relating to the remuneration for the key managerial personnel and other employees. While formulating the policy, the committee has taken into account:-

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

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

(iii) that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

14.2 As per requirement of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees of the Company is disclosed on the website of the Company and may accessed through the following weblink https://www.isgec.com/pdf/NRC-policy.pdf.

15. DEPOSITS

15.1 During the Financial Year 2022-23, your Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013.

16. ANNUAL RETURN

16.1 In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company and may be accessed through the following weblink https://www.isgec.com/aboutus-financials-annual-reports-investor.php.

17. REPORT ON CORPORATE GOVERNANCE

The Company is committed to adhere to the Corporate Governance requirements as stipulated under the Companies Act, 2013 read with the rules and regulations issued by the Securities and Exchange Board of India. Report on Corporate Governance for the financial year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report as **Annexure - 4**.

18. BOARD AND ITS COMMITTEES

18.1 Composition of the Board and various Committees of the Board including numbers of meetings held during the Financial Year 2022-23 and brief description of services, wherever required, is set out in the Corporate Governance Report, which forms part of this report.

19. BOARD MEETINGS

19.1 Four (04) Board Meetings were held during the financial year ended March 31, 2023. Dates of the Board Meetings and attendance of the directors therein are disclosed in para 2.9 of Corporate Governance Report, which forms part of this report.

20. SEPARATE MEETING OF INDEPENDENT DIRECTORS

20.1 During the year under review, a separate meeting of Independent Directors of the Company was held on March 23, 2023 to consider:

(i) the Performance of Non-Independent Directors and the Board as a whole;

(ii) the Performance of the Chairman of the Company, taking into account of the views of Executive Directors and Non-executive Directors; and

(iii) assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

21. ANNUAL EVALUATION BY THE BOARD

21.1 The Board has carried out the annual performance evaluation of the directors individually including the Independent Directors, the Board as a whole and its committees and Chairman, by assessment through a detailed questionnaire completed by individual directors.

21.2 Independent Directors have also evaluated the performance of Non-independent directors, the Board as a whole and Chairman at a separate meeting of Independent Directors.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

22.1 The Board has framed Vigil Mechanism/Whistle Blower Policy for Directors, Stakeholders, Individual Employees and their Representative Bodies in accordance with the Companies Act, 2013 read with the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Vigil Mechanism Policy / Whistle Blower Policy is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/pdf/VigilMechanismWhistleBlowerPolicy-10.06.2021.pdf.

23. DIRECTORS' RESPONSIBILITY STATEMENT

23.1 Your Directors hereby confirm that:

(i) In the preparation of the Annual Accounts for the financial year 2022-23 the applicable Accounting Standards have been followed and there are no material departures;

(ii) 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;

(iii) 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;

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

(v) 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

(vi) 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.

24. AUDITORS

24.1 Statutory Auditors

24.1.1 M/s SCV & Co. LLP, Chartered Accountants, having Firm Registration No. 000235N/N500089 were appointed as Statutory Auditors for a period of 05 years from the conclusion of 89th Annual General Meeting until the conclusion of 94th Annual General Meeting to be held in the year 2027.

They have confirmed their eligibility and independence to continue as Statutory Auditors for Financial Year 2023-24.

24.1.2 **Report of Statutory Auditors**

The Report of Statutory Auditors on Audited Annual Financial Statements does not contain any qualification(s), reservation(s) or adverse remark(s) or disclaimer, which calls for any comment(s) from the Board of Directors.

24.1.3 The details of total fees for all services paid by the Company and its Subsidiaries to the Statutory Auditors are set out in the Corporate Governance Report.

24.1.4 **Details in respect of fraud reported by Auditors other than those which are reportable to the Central Government**

The Auditors have not reported any incidence of fraud to the Audit Committee or the Board of Directors of the Company.

24.1.5 **Report on Internal Financial Controls on Financial Reporting**

In the opinion of Statutory Auditors, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control systems over financial reporting were operating effectively as at March 31, 2023. Reference may be made to **"Annexure – B"** of Independent Auditors Report.

24.2 Secretarial Auditors and their report

24.2.1 The Board of Directors has appointed M/s Pramod Kothari & Co., Company Secretaries, as Secretarial Auditors to conduct the secretarial audit for Financial Year 2022-23.

24.2.2 The Secretarial Auditors Report does not contain any qualification(s), reservation(s) or adverse remark(s) and is annexed to this report as **Annexure – 5**.

24.3 **Cost Auditors and their report**

24.3.1 The Board of Directors has appointed M/s Gopinathan Mohandas & Co., Cost Accountants (Firm Registration Number: 101499) as Cost Auditors to conduct the audit of the Cost Accounting records of the Company.

24.3.2 The Cost Audit Report of last preceding financial year does not contain any qualification(s), reservation(s) or adverse remark(s) or disclaimer.

24.3.3 The Board of Directors of the Company have re-appointed M/s Gopinathan Mohandas & Co., Cost Accountants (Firm Registration Number: 101499) as Cost Auditors for the financial year 2023-24, on a fee of ₹ 1,25,000/- which is subject to the approval of shareholders of the Company at ensuing Annual General Meeting.

24.4 ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has obtained Annual Secretarial Compliance Report for the Financial Year 2022-23 from a Company Secretary in Practice. The report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer.

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

25.1 The statement of disclosure of remuneration as required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure - 6**.

25.2 Certain details with respect to the employees who are in receipt of remuneration of not less than one crore and two lakh rupees throughout the financial year or eight lakh and fifty thousand rupees per month during any part of the year, is not annexed with the Board's Report. Such details are available for inspection by any member at the registered office of the Company during working hours, 21 days before the date of the Annual General Meeting, on all days except Saturday, Sunday and Public holidays between 11:00 a.m. to 05:00 p.m.

26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

26.1 Business Responsibility and Sustainability Report for the period under consideration as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report as **Annexure – 7**.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

27.1 The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Management Discussion and Analysis forming part of this report and is annexed as **Annexure-2**.

28. AUDIT COMMITTEE

28.1 Detailed information on Audit Committee covering composition, meetings and brief terms of reference is disclosed in Corporate Governance Report in terms of requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Corporate Governance Report forms part of this report and is annexed to this report as **Annexure - 4**. Detailed information is not given in Board's Report to avoid duplication of information.

29. CORPORATE SOCIAL RESPONSIBILITY

29.1 The Company has in place a Corporate Social Responsibility Committee in conformity with the provisions of Section 135 of the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

29.2 Composition of Corporate Social Responsibility Committee of the directors and attendance of the Members at the meetings held during the Financial Year 2022-23 is tabulated hereunder:

Name of the Director	Designation	Corporate Social Responsibility Committee meeting date and attendance	
		May 28, 2022	February 03, 2023
Mr. Ranjit Puri	Chairman	✓	✓
Mr. Aditya Puri	Member	✓	✓
Mr. Vishal Kirti Keshav Marwaha	Member	-	✓

Mr. Sachin Saluja, Company Secretary & Compliance Officer of the Company acts as Secretary to Corporate Social Responsibility Committee.

29.3 The Company has a policy on Corporate Social Responsibility, which is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/pdf/CSR-Policy-12oct.pdf.

29.4 Annual report on Corporate Social Responsibility activities for the financial year 2022-23 as required under section 134 and 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 and the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure - 8.**

30. RISK MANAGEMENT POLICY

30.1 The Company has a Risk Management Policy to monitor and evaluate risks associated at financial, operational and sectoral levels. The committee takes requisite steps or actions from time to time to mitigate the risks in order to protect the interest of the stakeholders and to achieve the business objective.

30.2 The Risk Management Policy is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/pdf/RISKMANAGEMENTPOLICYNEW.pdf.

31. SECRETARIAL STANDARDS

31.1 The Company complies with all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

32. LISTING

32.1 The equity shares of the Company are listed on two stock exchanges viz. BSE Limited and National Stock Exchange of India Limited.

33. DETAILS OF SIGNIFICANT & MATERIAL ORDERS

33.1 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.

34. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

34.2 During the year under review, no complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

35. GENERAL DISCLOSURE

35.1 The Board confirms that:

(i) No application has been made or any proceedings pending under Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year 2022-23;

(ii) Details of difference between the amount of valuation at the time of one time settlement and valuation done while taking loans from banks or financial institutions are not applicable.

(iii) The Whole-time Directors or Managing Director of the Company do not receive any remuneration or commission from any of its subsidiaries and joint venture companies, except Mr. Sanjay Gulati who is drawing remuneration from Isgec Hitachi Zosen Limited i.e., Subsidiary and Joint Venture company.

36. PERSONNEL

36.1 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.

37. ACKNOWLEDGEMENTS

37.1 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.

For and on behalf of the Board of Directors of
Isgec Heavy Engineering Limited

Date: 29.05.2023	**Aditya Puri**	**Sidharth Prasad**
Place: Noida	Managing Director	Director
	DIN:00052534	DIN:00074194

Annexure -1

FORM AOC-1

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

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

Part " A" : Subsidiaries

(₹ in lakhs)

	Description	2022-23										
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Limited***	Isgec Investment PTE Limited****
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	18/09/2018	27/08/2019
3	Reporting Period	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2023
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	CAD	SGD
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	2,501.55	5.20
6	Reserves & surplus	530.65	130.14	34,914.42	14.38	820.28	5,466.11	642.10	1,459.04	(152.76)	(4,858.02)	3,381.12
7	Total Assets	1,158.74	140.44	70,468.60	414.68	823.28	61,544.33	1,172.93	5,958.69	1,896.41	12,412.44	87,743.88
8	Total Liabilities	428.10	0.29	34,844.18	0.30	0.53	46,078.21	330.84	4,399.64	1,849.17	14,768.91	84,357.57
9	Investments	-	-	-	-	-	-	-	-	-		-
10	Turnover *	90.95	7.05	98,600.92	13.48	42.58	59,692.93	1,388.17	6,355.42	1,446.71	13,572.94	140.36
11	Profit/(Loss) before Taxation before OCI	(1.27)	6.69	8,981.97	5.89	42.16	1,095.24	413.79	903.16	47.16	(1,035.72)	(4,454.81)
12	Provision for Taxation											
	a. Current Tax	0.55	1.68	1,716.66	2.04	10.61	461.39	104.50	219.16	-	0.52	-
	b. Deferred Tax	-	-	584.46	-	-	(196.78)	(0.07)	10.98	13.12	43.20	(229.99)
13	Profit/(Loss) after Taxation	(1.82)	5.01	6,680.84	3.85	31.55	830.63	309.36	673.02	34.04	(1,079.43)	(4,224.82)
14	Other Comprehensive Income	-	-	12.69	-	-	(10.21)	(0.19)	-	-	8.43	217.28
15	Proposed Dividend **	-	-	2,129.97	-	-	200.00	200.00	200.00	-	-	
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%

	Description	2021-22										
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Limited***	Isgec Investment PTE Limited****
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	18/09/2018	27/08/2019
3	Reporting Period	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	CAD	SGD
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	2,501.55	5.20
6	Reserves & surplus	532.47	125.00	29,640.86	10.53	788.73	4,745.72	472.93	1,033.69	(186.80)	(3,787.02)	7,887.87
7	Total Assets	1,507.41	135.35	83,462.42	410.83	791.55	54,546.38	956.95	3,112.28	1,952.03	16,678.00	76,294.96
8	Total Liabilities	774.94	0.35	53,111.57	0.30	0.35	39,800.66	284.02	1,978.59	1,938.83	17,963.47	68,401.89
9	Investments	-	-		-	-	-	-	-	-		-
10	Turnover *	1,214.86	6.70	66,193.68	12.78	37.30	33,069.72	1,041.01	4,091.45	3,712.35	9,889.38	(2,035.65)
11	Profit/(Loss) before Taxation before OCI	310.59	6.37	5,443.04	5.17	36.90	560.87	303.65	694.20	145.72	(1,446.37)	(6,241.07)
12	Provision for Taxation											
	a. Current Tax	83.00	1.60	950.28	1.92	2.85	161.94	76.21	189.07	-	0.19	-
	b. Deferred Tax	-	-	440.97	-	6.44	(6.70)	0.16	(12.93)	36.68	(403.48)	(533.12)
13	Profit/(Loss) after Taxation	227.60	4.76	4,051.79	3.25	27.61	405.63	227.28	518.07	109.05	(1,043.08)	(5,707.95)
14	Other Comprehensive Income	-	-	22.63	-	-	0.67	1.25	-	-	(15.35)	(529.86)
15	Proposed Dividend **	-	-	1,419.98	-	-	100.00	140.00	250.00	-	-	
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%

* Includes Other Income

** Includes interim dividend paid during the year

*** Reporting currency is Canadian Dollar (CAD)and exchange rate as on the last day of relevant financial year is ₹ 60.67.

**** Reporting currency is Singapore Dollar (SGD) and exchange rate as on the last day of relevant financial year is ₹ 61.79.

Notes :

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

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

Annexure - 2

1. 00 STATE OF COMPANY'S AFFAIRS AND OPERATIONS, INCLUDING MANAGEMENT DISCUSSIONS & ANALYSIS:

1.01 It was a good year for the Company.

1.02 The total income was ₹ 4686.90 crores against ₹ 4470.50 crores in the previous year.

1.03 Profitability was much better with profit before tax being ₹ 234.40 crores compared to ₹ 147.06 crores last year.

1.04 The profitability was better due to higher margins in the Project business as share of orders booked in the last year with higher margins was higher. We have also higher sales in the Manufacturing business, which has typically better margins than EPC business.

1.05 Further details are given under the section Management Discussion and Analysis.

2.00 MANAGEMENT DISCUSSION AND ANALYSIS:

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

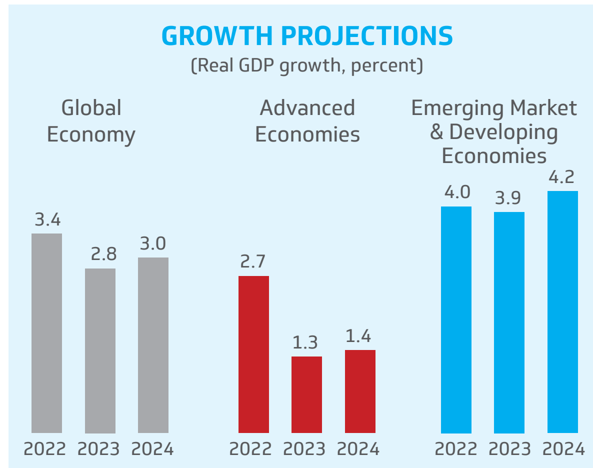
(a) Economic Overview

Global Economy:

The global economy is performing better than anticipated and showing signs of resilience in Calendar Year 2023 after the sharp economic slowdown in Calendar Year 2022. Geopolitical tensions caused by the prolonged Russia-Ukraine war, supply chain disruptions, higher inflation, and tighter monetary conditions impacted the economic recovery in 2022. International trade was impacted due to global economic slowdown, persistently high inflation, and supply chain disruptions, among others. Inflationary pressures are eroding real incomes, triggering a global cost-of-living crisis, and weakening investment growth. Further, the unexpected collapse of two specialized regional banks in the United States in mid-March 2023 have roiled financial markets and triggered concerns over macroeconomic stability and talks of possible recession in the world economy.

However, global economic conditions started showing signs of stabilization in early 2023, aided by the reopening of the Chinese economy. A key factor in the improvement in economic activity and sentiment in 2023 is the recent decline in energy and food prices. With the central banks' efforts to curb inflation by tightening monetary policy, global inflation is projected to decline from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

International Monetary Fund (IMF) has projected decline in global growth rates from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024.



(Source: International Monetary Fund (IMF) World Economic Outlook, April 2023)

Indian Economy:

India remains a 'bright spot' in the world economy and continues to be the fastest-growing major economy. The Indian economy continues to show resilience to exogenous shocks caused by the prolonged war between Russia and Ukraine. Accelerated pace of economic reforms has led to higher and sustainable growth and strengthened its position in the world.

India's IIP growth of 5.6% Y-o-Y and 5.3% growth in the manufacturing sector in February 2023 present signs of optimism for the economy. Further, the impetus for the core industries, which registered a combined ICI (Index of Eight Core Industries) increase of 7.6% (provisional) during FY 2022-23 compared to the corresponding period of last year will propel the demand for our Boilers, Castings, Contract Manufacturing, Boiler Manufacturing and Piping, and Civil Construction segments.

IMF projects the Indian economy to grow at 6.3% in FY 2024-25. Growth will be supported by a conducive domestic policy environment, various dynamic reforms undertaken by the government such as higher capital expenditure, thrust on domestic manufacturing and infrastructure development, rebound in domestic consumption, technology-enabled development, revival in credit growth, and transition towards cleaner energy among others.

In the Union Budget 2022-23, the government has allocated ₹ 10 lakh crore towards development of the infrastructure sector, which will accelerate economic growth. In addition, growth-enhancing policies such as the production-linked incentives (PLI) scheme, Atmanirbhar Bharat and PM Gati Shakti should augur well for India in the coming years. With multiple growth levers in place, the Indian economy remains attractively positioned to navigate global headwinds in FY 2023-24.

(b) Industry Structure and Developments:

- **Overview of the Engineering Industry**

  The engineering industry is diversified and is broadly categorized into two major segments - heavy engineering and light engineering. Most of the leading players are engaged in the production of heavy engineering goods. The expected expansion of heavy engineering industry can be attributed to increased demand and capacity expansion in the end-user industries such as infrastructure, power, mining, oil & gas, refinery, steel, automobiles, and consumer durables.

  The heavy engineering industry is one of the largest and key sectors in the world. It produces machinery, capital goods as well as components and parts for various industries. The global machinery market grew from USD 3,542.77 billion in 2022 to USD 3,810.37 billion in 2023 and is expected to reach USD 4,928.07 billion in 2027.

(c) Opportunities and Threats

Opportunities:

- The government's strong push towards infrastructure development with an allocation of ₹ 10 lakh crores in the Union Budget 2023-24 will create lucrative opportunities for the heavy engineering industry.

- The emission control equipment segment is poised to grow due to stringent emission regulations in Power, Oil & Gas, Chemical and Fertilizer industries. Union Environment Ministry's instructions to the thermal power plants to install pollution control technologies and comply with new emission norms by December 31, 2026, is likely to lead to an increased demand for emission control equipment. Further, India's green energy focus with the G20 Presidency and an outlay of ₹ 19,700 crores for the recently launched National Green Hydrogen Mission will increase focus on given hydrogen projects.

- Government's announcement for new thermal power plants, which are likely to come up by 2030, will provide opportunities in the Ash Handling business due to the scarcity of contractors and technology providers. Isgec has entered into a technical collaboration with a US Company for this product.

- The expansion of the Oil & Gas sector with an estimated CAPEX of ₹ 1.11 lakh crore in FY 2022-23 will lead to the expansion and upgradation of facilities and open new markets for Boilers, Process Plant Equipment, Boiler Manufacturing and Piping, and EPC Process Plants segments. To cater to the increasing energy demand of India, the Oil & Gas industry is expected to attract investments close to $250 billion in the next 10 years.

- The Ethanol Blending Programme (EBP) targets to achieve 20% blending by FY 2025-26. This demands an additional 700 crores liters of ethanol production every year which will create huge opportunities for Boilers, Sugar Plants and Distilleries businesses and Boilers.

- 100 Transport Infrastructure projects are identified for end-to-end connection for ports, coal, steel, and fertilizer sectors. Further, a capital outlay of ₹ 2.4 lakh crores for the Indian Railways in the Union Budget 2023-24, announcement of several Metro projects is announced for B cities and expansion of a dedicated freight corridors network will create opportunities for setting up factories and workshops for Railways.

- Investment in downstream products such as Petrochemicals are also expected to be substantial.

- Interest rates are expected to peak in 2024 and thereafter be reduced gradually by the central banks over the next couple of years.

- Advanced economics are expected to recover from recessionary pressure due to excessive interest rate hikes by the Central Banks across the countries.

- The developing economies like South-East Asia and Latin America are poised to do well and benefit from strong job markets, commodity price boom and ambitious investment plans by governments in many countries.

- As a leading company providing products and solutions for multiple industries, Isgec Heavy Engineering Limited (Isgec) is in a favourable position to participate in India's growth story.

Threats:

- Volatility in commodity and crude oil prices on account of global turmoil, Russia-Ukraine War and high inflation can increase input costs, impact profitability and dampen the export market.

- The rising cost of logistics may increase freight costs and may impact profitability.

- Many companies are shifting from the use of fossil fuels (coal, lignite) towards Biomass. This may affect the sale of Boilers firing fossil fuel, at the same time creating opportunities for Biomass fired boilers and for waste heat recovery boilers.

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

A. Engineering, Procurement and Construction Segment:

A.01 Isgec's EPC segment executes projects on turnkey basis for Boilers, Air Pollution Control Equipment, Sugar Plants & Machinery and Distilleries, Power Plant Solutions, Bulk Material Handling Systems, Process Plants, Projects for installation of Factories & Workshops for Railways and other Projects.

A.02 The total revenue from the EPC segment was at ₹ 3,368 crores (around 69% of total revenue) against ₹ 3,361 crores last year. The profit was, however, better due to the following reasons:

- During the previous year, fixed price longer duration orders were under execution and were adversely hit by increase in commodity prices, leading to lower profitability in the previous year. The proportion of these earlier orders has reduced during the current year and the new orders, taken at better margins, are under execution.

- The share of international revenue during the year increased to 13.7% as against 9.2% in the previous year. The margins are better in international revenue as compared to domestic revenue.

- Besides, the prices of commodities which peaked in the previous year, also reduced.

Industrial & Green Energy Boilers:

A.03 Isgec offers Boilers for various applications such as Captive Power Plants, Process Steam and Co-generation requirements. These boilers are based on various technologies to suit different fuels.

These include:

- **Circulating Fluidized Bed Combustion (CFBC) Boilers** firing coal, pet coke, co-firing of biomass, oil & gas.

- **Atmospheric Fluidized Bed Combustion (AFBC) Boilers** firing coal, pet coke, rice husk, and other clean biomass.

- **Oil & Gas fired Boilers** firing natural gas, refinery gas and light diesel oil.

- **Heat Recovery Steam Generator (HRSG) Boilers** using heat from waste gases from Gas Turbines.

- **Grate fired Boilers** for firing various types of biomasses like bagasse, rice husk, rice straw, wheat straw and wood chips, etc.

- **Waste Heat Recovery Boilers** using heat from waste gases in Cement Industry, Steel Industry and Oil Refineries.

- **Waste to Energy Boilers** burning Slop (waste from distillery) or Municipal Solid Waste (MSW).

A.04 Recognizing the expanding opportunities in Green Energy, Isgec has:

- Developed and established cutting edge technologies for Waste Heat Recovery Boilers for Cement, Steel & other metallurgical plants.

- Developed and established Slop (Distillery waste) Fired Technology to enable distilleries comply with government directive of 'zero liquid discharge'.

- Acquired technology for Straw (agri waste) fired Boilers.

Boiler Business Highlights for FY 2023:

A.05 We booked highest ever Boiler orders from the domestic market, significant ones being:

i) Largest single value order from a Public Sector Refinery project.

ii) Single order with 7 Nos. Waste Heat Recovery Boilers (WHRB) for a Cement plant.

iii) Biggest Biomass AFBC Boiler of 100 TPH from a North Indian Paper company.

iv) Repeat orders for AFBC Boilers from many customers.

v) Boilers on new technologies:

- Re-Heating Furnace Waste Heat Recovery Boiler from a Steel company,
- Calcinated Pet Coke Waste Heat Recovery Boiler from a Chemical company.

Boiler Technology:

i) During the year, we also renewed our existing License Agreements with:

a. Sumitomo SHI FW Energia Oy, Finland for Circulating Fluidized Bed Combustion (CFBC) Boilers up to 150 MW.

b. Wood PLC, for Shop assembled Oil & Gas Fired Boilers.

Allied Business:

i) Isgec Boiler group has established itself as a leading partner for Operation and Maintenance (O&M) Services of Power Plants supplied by Isgec as also by others.

ii) We also offer Renovation & Maintenance services for all industrial boilers regardless of the OEM.

iii) We also provide value added services such as Residual Life Assessment (RLA) Study, Technical Feasibility Study, Troubleshooting, on the job training, classroom training including training on a simulator for power plant, etc.

Sugar Machinery & Distillery:

A.06 Isgec's Sugar Plant & Machinery and Distillery (SMD) business is a market leader in Sugar industry in India.

A.07 We provide extensive end-to-end engineering solutions for setting up Greenfield sugar plants with captive co-gen power plant, Ethanol Plants, Retrofitting/Expansion/Modernization/Complete Efficiency Improvement in Ethanol Plants, ENA plants, Captive Power Plants integrated with sugar plants, Zero Liquid Discharge Solutions and Effluent Treatment Plants, etc.

A.08 Services:

- Spares and Retrofit – Isgec provides spares and retrofit services for all equipment used in Sugar and Ethanol plants.
- Operation and Maintenance Services for Sugar plants, Ethanol Plants, Power Plants, Effluent Treatment plants, Condensate polishing units and Sugar refineries.

Highlights of Sugar Machinery and Distillery business for FY 2023:

A.09 During the year we completed 20 projects including Greenfield and Brownfield projects.

A.10 Order booking for the year is very good.

A.11 Major Orders include:

- A big Bio Ethanol Project for a Private Sector customer in Maharashtra which includes:
  - 6500 TCD Milling Plant with 1500 TCD sugar refinery.
  - 400 KLPD capacity Syrup based Ethanol Plant designed on zero liquid discharge.
  - 100 KLPD multi-feed (Syrup / B Heavy / Grain) Ethanol / ENA plant, designed on zero liquid discharge.
- 200 KLPD capacity syrup-based ethanol plant with 60 TPH incineration boiler for a customer in Karnataka on turnkey basis.
- Sugar plant expansion and steam economy from 7500 TCD to 12000 TCD for a sugar plant in Maharashtra on turnkey basis.
- 300 KLPD Ethanol Plant on Cane Syrup feedstock from a Private Sector company in Karnataka.
- Expansion in Milling Tandem for a sugar plant in Nigeria.
- Operation and Maintenance of a 2G Ethanol plant for a Public Sector company in Haryana.

A.12 **Sugar Technology:**

- During the year we developed Artificial Intelligence (A.I.) system for sugar plant equipment (Milling Plant, Falling Film Evaporator, and Vertical Continuous Pan) to improve efficiency and reduce manpower.
- We received a Patent for our Calandria of a Sugarcane Juice Vacuum Pan.

We have very good enquiries in hand for both Sugar Plants and Ethanol Plants.

Ethanol:

A.13 Isgec offers Distillery Plants based on molasses, cane juice, as well as grains as feedstock.

A.14 The market for Ethanol Plants is good for next many years as the Government has advanced the target for 20% blending of ethanol with petrol to 2025. This will require raising the ethanol production capacity in India by 700 crore litres per annum, which will require many new plants.

Bio CNG:

A.15 We are working to develop offerings for Bio-CNG plants.

Air Pollution Control Equipment (APCE):

A.16 Market Outlook:

DeSoX Technologies:

Majority of orders for DeSoX have been awarded by Central Utilities like NTPC & DVC. However, State and Private Utilities comprising of almost 80,000 MW are likely to place the orders in next one to two years.

Many Private Sector Utilities are still doing feasibility studies and seeking financial approvals for implementation of the DeSoX technology.

DeNOx Technologies:

Relaxation of NOx emission norms from 300 mg/Nm3 to 450 mg/Nm3 has resulted into reduced requirement for SNCR System from Thermal Power Plants. However, many Thermal Power Plant Units still require combustion modifications in order to meet the NOx emission norm of 450 mg/Nm3.

NTPC and a few State Electricity Boards have already placed orders for combustion modifications and future enquiries are expected mainly from the Private Sector Utilities.

Particulate Emissions:

NTPC and other Central and State Utilities have majorly completed Renovation & Modernization (R&M) of Electrostatic Precipitators to comply with the Particulate emission norms. We expect enquiries from the balance Utilities in future.

A.17 Isgec's Air Pollution Control Equipment solutions include:

(a) DeSOx Technologies (reducing Sulphur Di-oxide emissions):

- Wet Flue Gas Desulfurization projects for Thermal Power Plant units of >100 MW Capacity.
- Semi Dry Flue Gas Desulfurization projects for Thermal Power Plant units of >50 MW capacity.
- Dry Sorbent Injection system for Thermal Power Plant units.

(b) DeNOx Technologies (reducing Nitrogen Oxide emissions):

- Low NOx Combustion Modification for Tangentially Fired Pulverized Coal Boilers and Wall fired Boilers.
- Selective Non-Catalytic Reduction (SNCR) Systems for various applications including Power, Cement, and other Industries.
- Flue Gas Conditioning for efficiency improvement of Electrostatic Precipitators (ESP).

(c) Particulate Matter Control Technologies:

- Electrostatic Precipitators (ESP) for Fossil Fuel fired Boilers and other Industrial Applications i.e., Steel, Cement, Metallurgy, etc.
- Renovation & Modernization (R&M) of ESPs for Thermal Power Plants.
- Spares for ESPs.
- Process & Nuisance Bag Filters.

A.18 Highlights of APCE Business for FY 2023:

We booked following major orders:

- Our largest single order for Renovation & Modernization (R&M) for Electrostatic Precipitator for a State Utility in Maharashtra.
- Combustion modification for DeNOx for 6 Tangentially fired Pulverized Coal Boilers State Utility in North India at multiple locations, which included a large capacity Thermal Power Plant of 2x600 MW.
- Dry Sorbent Injection System for 2x210 MW Thermal Power Plant Units for a State Utility and 4x210 MW Thermal Power Plant Units for another State Utility.
- Dry Sorbent Injection System for 4x210 MW Thermal Power Plant for a State Utility in West Bengal.

Orders booked with technical support from overseas companies: -

- Hot Electrostatic Precipitator for Copper Smelter Application.
- Wet Electrostatic Precipitator for Copper Smelter Application.

Bulk Material Handling:

A.19 For bulk material handling Isgec has developed various products including Pipe Conveyors, Stacker-reclaimers, Ship loaders, Ship Unloaders, Gantry Cranes and Ship to Shore Cranes for container handling.

A.20 We offer Bulk Material Handling Solutions for Ports, Mines, and for Power Plants handling of coal, iron, bauxite, and other materials. During the year we successfully completed a Bulk Material Handling System involving Stacker and Reclaimer, Ship unloading, and wagon loading, etc., for a Port in Eastern India.

A.21 We are executing a Bauxite Handling Facility for an Aluminium Plant and a 16 KM long Piped Conveyor System connecting three coal mines to a power plant.

A.22 We expect good market for Bulk Material Handling Systems considering expected investments in Infrastructure as well as Mining sectors.

Factories and Workshops for Railways:

A.23 We build workshops for Indian Railways on turnkey basis including all equipment, machinery, civil work, tracks, and signals. During the year we completed two coach manufacturing facilities for the Indian Railways.

Process Plants:

A.24 We provide turnkey solutions to Oil & Gas, Refineries, Fertilizers and Chemical sectors for their process units. Presently we are executing a Sulphur Recovery Unit for a major Refinery in India. During the year we booked an order from a Public Sector company for setting up a Sulphuric Acid plant.

B. MANUFACTURING OF MACHINERY & EQUIPMENT SEGMENT:

B.01 This Segment consists of manufacture of Presses, Contract Manufacturing (built-to-print and built-to-specifications), Process Plant Equipment, Liquified Gas Containers, Boiler Pressure Parts & Piping Spools, and Iron & Steel Castings. Each of these products are discussed in the following paragraphs.

B.02 Our products involve significant level of intellectual property in terms of design, particularly, Mechanical design, Thermal design, Pneumatics, Electrical, design, instrumentation and tribology. In addition, our products involve elaborate fabrications, welding, machining and assembly skill and skills related to foundry products.

B.03 The total revenue from this segment was ₹ 1,534 crores as against ₹ 1,298 crores in the preceding year. The profit was also higher during the financial year.

PRESSES AND CONTRACT MANUFACTURING

B.04 Our Mechanical and Hydraulic Presses find applications across many industry sectors. While Automobiles is the main industry sector for Presses, they also find applications in white goods, Defence, Railways and Refractory sectors.

B.05 The automobile sector reported growth in FY-23 as compared with FY-22. It was, however, remain relatively subdued as compared with the pre-pandemic time.

B.06 Total order booking was good which included 35% export orders.

B.07 The business unit booked following significant orders from South-East Asia, as well as Europe during the year for:

- Automated Tandem Press Line from an auto major in South-East Asia.
- 2x1000T mechanical transfer press from an auto component manufacturing company in Spain for their Indian project.
- 1500T mechanical transfer press from a customer in Europe.
- 800T progressive die mechanical press from an automotive customer in Mexico.

B.08 The business achieved significantly higher sales during the year, as compared to the preceding financial year.

B.09 We successfully commissioned a 1250T press hardening line in India manufactured in technical collaboration with AP&T of Sweden, as well as 2 nos. 1250T robotic tandem press line for our customer in South-East Asia which will create important footprint for our press business in South-East Asia and we expect to receive more serious enquiries from the region.

B.10 We expect growth in the market for presses both in India and overseas markets such as Central and Eastern Europe, South-East Asia, Mexico, Egypt, and South Africa.

B.11 We also expect growth in the non-automotive market for presses from sectors such as space, railways, and white goods.

B.12 The order booking prospects for this year appear to be better and we expect major requirements to be generated from tier-1 and tier-2 suppliers of OEMs in the automotive market.

B.13 We are working towards strengthening our 'after sales' support in Europe through tie-up with local companies, in order to further strengthen our engagement with the customer, as well as to expand our footprint in the region.

B.14 We are developing more models of Standard Presses to expand our product portfolio.

CONTRACT MANUFACTURING:

B.15 With Isgec's processing skills in fabrication and assembly and having very large machine shop, our Contract Manufacturing business has diversified into sectors such as steel, nuclear, hydro power, space, and mining. Major orders booked include: -

- Penstock Protection Valve for a Hydro Power project from a major multinational company.
- Calendria Vault from Nuclear Power Corporation of India Limited.
- Repeat order for Driving & Tipping Station from a multinational company for a steel plant.
- Considering the good prospects in all these sectors, order booking is expected to be good during the next year as well.

PROCESS PLANT EQUIPMENT:

B.16 Our Process Equipment Division manufactures static process plant equipment which is critical to various chemical processes such as fertilizer, crude oil refinery, petrochemical, chemicals, pharma and agro-chemicals. Our knowledge of metallurgy, welding skill, as well as our manufacturing infrastructure has been recognized and acclaimed by almost all major process licensors, owners, engineering consultants and EPC companies for their requirement of following equipment: -

- Reactors
- Shell & tube heat exchangers
- Breech lock type (special closure) high pressure exchanger Pressure vessels
- Distillation and other process columns
- Liquified Gas Containers

B.17 This business closed the financial year with record order booking, major among them include:

- Lummus design proprietary SS Heat Exchanger for oil & gas project.
- Single largest order for Breech Lock Exchangers for an oil company.
- PP Reactor & Purge Bin including site fabrication for an oil company.
- High Pressure Ammonia Synthesis Loop Shell & tube Heat Exchangers from a US company.

B.18 During the year, market offered good opportunity as some major Indian refinery and petrochemical projects reached the stage of procurement resulting into very good order booking. In addition to the domestic market, we were also able to book good orders from a major customer in the US.

B.19 In future we expect steady change in the energy landscape. Given the preference for green energy and biofuel, the production of fossil fuel is expected to taper off over a period of time. This is expected to result in investment in green and blue ammonia projects and biofuels such as bio-aviation fuel, bioethanol, and biodiesel. Investment in new petrochemical projects is expected to continue, however, configuration of oil refinery is expected to get truncated substantially mainly to provide feedstock for respective integrated petrochemical units.

B.20 Government of India has also announced a plan to set up more coal to methane plants. This strategic decision has been taken keeping in view the requirement of energy security.

B.21 We are well positioned to service the equipment requirements emanating out of the expected investment in ammonia, petrochemicals, chemicals and biofuels.

B.22 We continue to be a global leader in the manufacturing and supply of liquefied chlorine containers and were successful in booking record orders for the same during the year. We are pleased to share that we added seven new customers in the international market.

B.23 In view of the very good order booking as well as expected business in coming years, we have expanded production capacity of Containers and this business is expected to perform well over the next few years.

Boiler Manufacturing & Piping (BMP):

B.24 Our BMP business unit manufactures the following:

i. Pressure parts for various boilers for our own Industrial & Green Energy boiler group as well as for external customers. Typically, the pressure parts include boiler drums, riser & downcomers, water wall panels, headers, evaporators, and superheaters.

ii. Cooling stacks for steel plants.

iii. Prefabricated piping spools.

iv. Skids & Modules.

B.25 During the financial year, this business recorded its highest production and sales thus far. In addition, some important orders were booked from new Indian and overseas customers including that of first process skid for a major Indian petrochemical project. This is a significant step towards diversification as it will help in establishing our credentials as a large skids & modules manufacturer.

B.26 Petrochemical projects, refinery expansions as well as a greenfield oil refinery offered good business opportunities and the order booking was good. Considering the future opportunities in petrochemicals, green energy, steel and cement sectors, business prospects appear good.

B.27 Consequently, we expanded its fabrication capacity for piping spools by adding production facility.

Iron Casting:

B.28 Our Iron Casting division manufactures custom-built large castings of grey & ductile iron serving a cross section of industry sectors, the major ones being chemical, steel, automotive, machine tool and paper.

B.29 The capability, skilled talent pool and infrastructure of producing intricate as well as large iron castings have been acclaimed both by Indian as well as overseas customers.

B.30 During the year, the business unit successfully delivered Checker Support Assembly for the Steel sector as a major new product. With this we expect to receive more orders for this challenging product.

B.31 In order to reduce cycle time and cost, Iron Foundry Division is working to automate the manufacturing process in the areas of pattern making, inspection of patterns and castings. We are also adopting some state-of-the art mould preparation processes.

B.32 Order booking during the year was close to the target & considering good future prospects in all the above sectors, as well as because many end users are preferring to diversify the sources away from, or in addition to China, the order book is expected to be good during the next year as well.

B.33 Although increased competition was witnessed during the year, we have not lost any major order due to the same.

Steel Castings:

B.34 Production and sales of Steel Castings increased substantially over the previous year.

B.35 Order booking for Steel Castings were the highest ever.

B.36 Due to increase in energy costs in Europe and antidumping duty by Europe on Chinese products, we booked good orders from European market for Hydro Turbine Castings, Barrel Casings for Steam Turbines, and Castings for Gate Valves.

B.37 We booked orders for Chocks for Steel Plants in the USA and Compressor Castings for Gas Turbines from Asian customers.

B.38 Market for Castings, both in India and Europe is expected to be good in the coming year.

B.39 In view of the increased demand for Machined Castings, we will be investing in some additional machines to augment our machining capabilities for Castings.

(e) Internal Control & their Adequacy:

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

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

Financial performance and operational performance have been discussed segment-wise as well as product-wise under paragraph 3.00. Financial summary and key financial ratios have been given in paragraph 2 (h) of this report.

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

The Company is proud of its talented and motivated workforce and has taken many initiatives for their development as also steps to improve productivity and enhance collaborative working.

The Company is committed to provide a conducive and protective environment to its employees, focusing on inclusive growth for employees.

(a) We are committed to treat all employees equally, regardless of race, religion, colour, sex, age, social status, etc.

(b) We also aim for protecting its employees against any harassment like bullying, intimidation, degradation, sexual harassment etc. at workplace, and have structured complaint redressal process in place.

We launched various initiatives to improve employee capabilities and collaborative working:

(a) Several behavioural and technical trainings were conducted by the Company across the Offices and Manufacturing Plants for employees including workers. The behavioural training covered topics like Personal Leadership for excellence, Self-Discipline, Stress Management, Time Management, Conflict Management, Transforming through Positive Mindset.

(b) Training programs on "Coaching and Mentoring teams" and on "Managing for Results".

(c) Technical Trainings covered various topics such as Review of Design Calculations/Drawings, Planning & Execution, Welding, Crane & Lifting Safety, Selection of Centrifugal and EHS training etc.

We launched various initiatives to improve employee engagement. Several health camps, training sessions through Webinars on wellness, stress management and workplace ergonomics through renowned doctors and psychologists, periodic Yoga classes by experts for a healthier workforce in the Company. This included fitness challenge program as well.

We celebrated major festivals and events like Holi, Diwali, Independence Day, Republic Day, New year eve, Women's Day etc. and engaging larger work force through various cultural programs. We also organised a webinar on "Woman hood" on the eve of women's day.

To enhance team spirit, the Company took employee engagement initiatives such as webinars on "Teamwork".

The Company organised various sports events/team games and other cultural events to promote bonding and team spirit.

Employee attrition has been high during the year (approximately 16%). It is more at the junior levels. Senior level staff has been selectively stable and is much higher for junior management/executives' levels.

Substantial capacity expansion/investments in capital goods sector have resulted in creation of additional jobs and demand for experienced engineers and managers in the market. Oil & Gas market is booming, and many employees have been poached by MNC's.

Some of the HR interventions taken by the Company including employee engagement programmes, skill upgradation training, nominating managers to Management Development Programmes at premier business schools and specific training to Head of Departments on Coaching and Mentoring to engage and guide their team members, are giving positive results.

Compensations at selected levels have been increased, and additional one-time bonus compensation for high performance employees and high potential employees have been introduced.

We are also undertaking "Compensation Benchmarking" and "Employee Experience Survey" through specialised consultants to identify steps to be undertaken for improving employee retention, considering that the job market for employees with our skills set and experience is going to be good for the next couple of years.

The above initiatives ultimately help to boost the employee morale and employee bonding and help improving retention of employees.

(h) Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof enclosed as Schedule - I.

(i) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with as detailed explanation thereof enclosed as Schedule - I.

3.00 REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURE COMPANIES:

(A) Saraswati Sugar Mills Limited (Wholly Owned Subsidiary Company):

(1) It was an excellent year for the company.

(2) The total revenue increased by 49% to ₹ 986 crores against ₹ 662 crores in the previous year. Revenue for sugar segment was ₹ 768 crores versus ₹ 608 crores last year. Revenue from Ethanol segment was ₹ 218 crores versus ₹ 54 crores last year. This was the first full year of operation for the Ethanol Distillery unit.

(3) Profit before tax increased by about 65% to ₹ 89.82 crores against ₹ 54.43 crores in the previous year.

(4) The revenue and profit have been higher due to:

(i) Higher domestic and export sale of sugar;

(ii) Slightly better sugar price realization; and

(iii) The ethanol distillery unit contributed significantly (22%) to the revenue.

Sugar Scenario:

(5) The current season's sugar production is estimated to be 328 lakh tonnes for the sugar season 2022-23 (October – September), after diversion of about 40 lakh tonnes of sugar to ethanol.

(6) Indian Sugar Balance (Lakh Tonnes):

(October-September)	2021-22	2022-23 (estimated)
Opening Stock	82	55
Sugar production	358	328
Sugar Consumption	273	275
Sugar Export	111	62
Closing Stock of Sugar	55	47
Closing Stock as % of Sugar Consumption	20%	17%

(Source: Indian Sugar Mills Association)

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

(8) The Central Government also continued with the policy of Minimum Sale Price (MSP), below which the Sugar Mills are not allowed to sell. MSP applicable during the year under report was ₹ 3,100/- per quintal. There has been no increase in MSP since February 2019 in spite of repeated representations by the industry.

(9) The domestic sugar prices are, however, prevailing at a reasonable level due to exports and decline in the closing stock of sugar, as explained above.

Fair and Remunerative Price (FRP) of Sugarcane and State Advised Price (SAP):

(10) The Fair and Remunerative Price (FRP) for procurement of sugarcane was increased by the Government of India from ₹ 290/- per quintal linked to basic recovery of 10% for season 2021-22 to ₹ 305/- per quintal for sugar season 2022-23 linked to a basic recovery of 10.25%. In addition, a premium of ₹ 3.05 per quintal is payable for every 0.1% increase in recovery over 10.25%.

(11) Initially, the Haryana Government had announced the SAP of ₹ 362/- per quintal for 2022-23 season (same as SAP for season 2021-2022).

(12) A protest against the cane price fixed by the state government led to a strike by farmers. The dispute was not with us and our relations with agriculturists remained cordial. The mill was simply a convenient venue to register their resentment.

(13) In response to the cane farmers' strike, which lasted for about one week, the Haryana Government increased the SAP by ₹ 10/- per quintal and the applicable SAP for Haryana for this season is ₹ 372/- per quintal of sugarcane for Early Variety and ₹ 365/- per quintal of sugarcane for Other Varieties.

OPERATIONS:

Sugar Factory:

(14) The sugar factory commenced crushing earlier than usual this year on November 08, 2022.

(15) The working of the Plant and Machinery was very good. Factory efficiency was highly satisfactory.

(16) This was the second year when we are producing B-Heavy Molasses for the Ethanol Plant.

(17) The crushing for the year is higher than the last year at 16.62 lakh tonnes compared to 16.22 lakh tonnes in the previous year.

(18) Sugar recovery is also higher at 9.74% compared to 9.51% for the previous year. Sugar recovery, in both the current season and the previous season, was lower by an estimated 1.60% due to production of B-Heavy Molasses for the Ethanol Plant.

(19) The quantity of sugarcane crush was lower than expected, in spite of earlier start and in spite of cane area being higher by 7%, because the cane yield was 9% lower than previous year. The cane yield was lower due to higher incidence of diseases mainly Top Borer and Pokkah Boeng in some of the cane varieties. Cane crushing was also stopped for about a week when the farmers were on strike seeking higher State Advised Price for sugarcane.

(20) The Statistical position with respect to our factory is given below: -

Particulars	Sugar Season (October to September)	
Saraswati Sugar Mills (SSM)	**2022-23**	**2021-22**
Date of Start of crushing operations by SSM	08.11.2022	26.11.2021
Date of Close of crushing operations by SSM	08.05.2023	10.05.2022
Cane Crush by SSM (Lakh Tonnes)	16.62	16.22
Sugar Recovery (%)	9.74%	9.51%
Sugar Production of SSM (Lakh Tonnes)	1.61	1.54

Sugar Export:

(21) Sugar export from India in the previous year was at all time high at 11.2 million tonnes. For the current season, the Government only permitted sugar exports of 6 million tonnes keeping in view the demand-supply situation in the country.

(22) We were also allocated export quantity of 32447 tonnes. We exported 15900 tonnes of raw sugar through a Merchant Exporter and exchanged the balance export quantity of 16547 tonnes with domestic quantity of another mill in exchange for a premium.

Ethanol Plant:

(23) This was the first full year of operations for the Ethanol Plant.

(24) The working of the Plant has been good, and it is operating at 100% capacity.

(25) All the parameters, viz. energy consumption efficiencies, etc., are being achieved as per the norms. The effluent generated from the plant is being utilized in the incineration Boiler with the support fuel, to generate steam and power in the Turbine. A complete scheme of Water Treatment is being operated to successfully achieve Zero Liquid Discharge (ZLD).

Next Season:

(26) We expect to have a comparatively higher quantity of cane crush in the next season and hope to start the plant even earlier than this year.

(27) Domestic sugar prices are likely to be at a reasonable level in the next year, considering the factors given below:

(a) Decline in closing stock of sugar.

(b) Increased focus on Ethanol production resulting in diversion of more sugarcane to Ethanol.

(c) Increase in International prices which are now the highest in last 10 years.

(28) In order to improve efficiencies in the Ethanol Plant, its capacity has been expanded from 100 KLPD to 160 KLPD. We are awaiting permission from the Excise Department to start operating at the higher capacity.

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

(1) The total revenue for the year was ₹ 596 crores as against ₹ 324 crores in the preceding year.

(2) The profit before tax was ₹ 10.95 crores as against ₹ 5.61 crores in the previous year.

(3) As mentioned in the last year's report, the profitability was adversely impacted due to steel prices and the material cost of items ordered after March 2022 on account of the war between Russia & Ukraine.

(4) Also, we had an adverse impact on the profit due to the increase in freight cost of the Vacuum Gas Oil Reactor and Coke Drums for Rajasthan Refinery.

(5) Important supplies during the year were: -

(a) An LC Fining Reactor for the Residue Upgradation facility of an oil refinery project in India.

(b) Two Duplex Stainless Steel-Clad Columns for a 2G Ethanol Project in India.

(c) Nine Reactors & Five Columns to JGC, Japan for an oil refinery projects in middle east.

(d) A Tube Bundle for a Reformer Exchanger with Refractory Lining on the Tube Sheet for a renowned Ammonia Process Licensor and received a repeat order for the same.

(e) A PTA Reactor to Petrochemical project in Eastern India.

(6) Orders in hand at the end of the year are low as several projects which were to be finalized in the 3rd & 4th quarters of the year have been deferred or put on hold.

(7) However, a substantial number of these projects are expected to finalize their orders early this year.

(8) We expect this year to be better in terms of projects that can provide us business as compared to the year 2022-23.

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

(1) Total revenue of the company during the financial year was ₹ 63.5 crores as against ₹ 41 crores in the preceding year. Profit was ₹ 9.03 crores as against ₹ 6.94 crores during the preceding year.

(2) Order booking was good, and company received some breakthrough orders, major among them being as High Thick Inconel Jacketed Reactor, Zirconium Condensers & Ejectors as well as Titanium Agitated Reactors.

(3) The company successfully completed and delivered the following major equipment during the financial year: -

- Large Titanium Clad Colum involving site joint.
- Anodized Titanium Heat Exchanger.
- Titanium Vessels for Malaysia.
- Inconel Tubular Reactors.
- Eight Titanium Exchanger for PTA Plant as per Ineos licensed process.
- Zirconium Internals for falling film evaporator.

(4) Chemical industry comprising of speciality chemical, Active Pharmaceutical Ingredients (API) and agro

chemicals are poised for double digit growth in coming years and consequently the order booking prospects for the company appear good.

(D) Isgec Redecam Enviro Solutions Private Limited (Subsidiary and Joint Venture Company):

(1) Total revenue of the company during the Financial Year was ₹ 14.47 crores as against ₹ 37.12 crores in the preceding year. Profit was ₹ 0.47 crores as against ₹ 1.46 crores during the preceding year.

(2) The financial year completed was challenging but the company could overcome many executions related issues and now we are getting recognised as good supplier in Indian Industry.

(3) We are well recognised as key turnkey solution provider for bag filters in steel sector. We have successfully commissioned few projects for a major steel conglomerate and are currently executing a number of projects for their different units.

(4) Based on our success in steel sector, we have received good enquiries for bag filters from many steel plants.

(5) Important Semi Dry FGD (DFGD) projects are under execution. Once commissioned, we shall be able to demonstrate our success in addressing DFGD requirements for smaller capacity power plants.

(6) We have received few enquiries from market for the MSW plants which we are bidding currently.

(7) We have started receiving enquiries from cement plants for process and nuisance bag filters.

(8) We expect to continue to get business from Steel & Cement sectors.

(E) Isgec SFW Boilers Private Limited:

(1) The total income and profits before tax were higher than last year. The total income was ₹ 13.88 crores against ₹ 10.50 crores in the preceding year and the profit before tax was ₹ 4.14 crores against ₹ 3.04 crores last year. The capacity utilization was at 85%.

Capability enhancement:

(2) As a result of training received from the Joint Venture Partner SFW over the years, the company in addition to detail engineering, is carrying out in basic design of Steel structure, Piping, Pressure Parts, Non-Pressure Parts and Electrical Instrumentation & Control for multiple projects. Finite element Analysis capability has been established in the company during the year, and work on engineering of complex plated structure was also performed.

(3) With a view to adopt the latest engineering practice of SFW in 3D plant modelling the company has started working on new projects using Cadmatic plant design modelling software after undergoing training.

(4) Due to anticipated increase in workload, both manpower and hardware/software were added. In the context of emerging market conditions, the company has initiated various measures to improve retention of trained and talented employees. As part of these measures, a satellite office of the Company has started functioning in Chennai.

Next Year:

(5) The Company is expecting new project work assignments from the Joint Venture Partner.

(F) Eagle Press & Equipment Co. Limited (Wholly Owned Subsidiary Company):

(1) Total revenue of the company during the Financial Year was ₹ 135.73 crores as against ₹ 98.89 crores in the preceding year. Loss was ₹ 10.36 crores as against loss of ₹ 14.46 crores during the preceding year.

(2) Operations for the first half year at Eagle Press were adversely affected because of Chip shortage which severely affected majority of Company's customers in the Automobile sector resulting in reduced sales and workload.

(3) In the second half of the year, order booking picked up and the Company booked orders worth about Canadian Dollars 25 million.

(4) There are strong pipeline of sale leads and the company is expected to continue to book new orders in the current year.

(5) Steps to take up value engineering, control purchase costs, as well as operational costs have been taken. We expect next year will be much better considering that there are good orders in hand and a good pipeline of sales leads.

(G) Cavite Biofuel Producers Inc. (CBPI):

(1) During the year we started construction to complete the CBPI plant and hope to complete it in the next few months.

(2) To meet the construction cost, a loan of Philippine Pesos 1152 million (about ₹ 175 crores) has been sanctioned by Standard Chartered Bank, Philippines.

(3) Apart from the security of assets of CBPI, the loan is secured by Stand-by Letter of Credit issued by Standard Chartered Bank-India, out of our Non-Fund based limits. Half of this loan was drawn in FY 23 and the balance is expected to be drawn in the first quarter of this year.

(4) We are preparing to run the plant once it is commissioned.

(H) Other Wholly Owned Subsidiary Companies:

(i) **Free Look Software Private Limited and Isgec Exports Limited:**

There was no commercial activity during the year.

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

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

(iii) **Isgec Covema Limited:**

The Company continued to execute orders for the Erection and Commissioning of Boilers. Financial results were satisfactory. Turnover was ₹ 90.95 lakhs against ₹ 1214.86 lakhs last year. There was a loss of ₹ 1.27 lakhs before tax as compared to profit of ₹ 310.59 lakhs last year.

4.00 TECHNOLOGY:

4.01 The Company entered into a technology backup agreement with an overseas company for Hot Electrostatic Precipitator for a Copper Smelter project during the year.

4.02 We have signed a technology backup agreement with another overseas company for Wet Electrostatic Precipitator for a Copper Smelter project during the year.

4.03 We have entered into a strategic collaboration agreement with United Conveyor Corporation, USA for Ash handling Packages for thermal power projects.

4.04 We have begun work on Industry 4.0 solutions for presses.

4.05 We have developed the capability to supply complete solutions consisting of Press, Die and Automation systems for making refractory bricks.

4.06 Isgec has designed a fully Automated Part Handling System for 1500T Hydraulic Press. The system consists of 3 Axis Destacker, 3 Axis Transfer, Magnetic Grippers, Automated Shuttles and Rotary Stacker System.

PARTICULARS REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY:

The steps taken or impact on Conservation of Energy:

Steps taken towards ensuring conversation of energy is a continuing process. The steps taken for meaningful impact on Conservation of Energy during the year are as under:

(a) Steps to save energy:

1. We continued to replace inefficient and high-power consumption equipment with energy efficient equipment using 3R technique (reduce, reuse and recycle).
2. We have been replacing our lower rating air conditioners with five-star air conditioners. During the year 25 air conditioners were replaced. A total of 156 air conditioners have been replaced in the last few years.
3. We replaced rotary high frequency converters with in-house developed static high frequency converters, which will reduce power consumption by about 32000 KWs per year.
4. We replaced the convention DOL with AC Drive panel on some of the machines and equipment, which will save about 10000 KWs per year.
5. We have installed natural draft cooling tower without motors in place of motorized cooling towers in the Foundry shop, which will save about 61000 KWs per year.
6. We replaced old TIG & MIG welding machines with high efficient IGBT controlled machines, which will save about 21000 KWs per year.
7. We have installed HVLS Fans in place of Wall Fans, which will save about 14000 KWs per year.

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

1. We have 1750 KW Solar Power Plants installed in our Yamunanagar and Rattangarh factories. These generated 20.78 lakh units worth ₹ 1.56 crores. Solar Power provides clean energy and results in reducing carbon footprint.

(c) Capital investment in Energy Conservation: ₹ 37.60 lakhs

B. TECHNOLOGY ABSORPTION:

The efforts made towards technology absorption:

(a) The Company has following Technology Agreements: -

1. Boilers:

(i) **With Sumitomo SHI FW Energia Oy, Finland:**

- For Circulating Fluidized Bed Combustion (CFBC) Boilers up to 150 Mwe (since renewed in April 2022 and Capacity enhanced from 99.9 Mwe to 150 Mwe).
- For Reheat design for CFBC Boilers up to 100 MW.

(ii) **With BHI FW, Korea:**

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

(iii) **With Amec Foster Wheeler Energia S.L.U, Spain (Woods plc.):**

- For Oil & Gas Shop Assembled Water Tube Packaged Boilers up to 260 Tonnes per hour.

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

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

2. Air Pollution Control Equipment:

(i) With Fuel Tech Inc., USA, for Selective Non-Catalytic Reduction (SNCR) systems for reduction of Nitrogen Oxides for various applications including Power, Cement and other Industries.

(ii) With Babcock Power Environmental Inc., USA, for Wet Flue Gas De-sulphurisation systems for reduction of SO_2 produced by steam generators having gas flow equivalent to 100 Mwe.

(iii) With Sumitomo SHI FW Energia Oy, Finland, for Circulating Fluidized Bed Scrubbers for Power Plants and Industrial Purposes for reduction of SO_2.

(iv) With United Conveyor Corporation, USA, for Dry Sorbent Injection (DSI) Technology for removal of SOx generated from thermal power plants.

(v) With BHI FW Corporation, USA for Combustion Modifications (TLN Retrofit) for reduction of NOx generated from Tangentially fired Pulverised Coal (PC) Boilers.

3. Presses:

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

4. Process Equipment:

(i) With TEi, USA, for Screw Plug Heat Exchangers and Process Waste Heat Boilers.

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

(iii) With Amec Foster Wheeler Energia S.L.U, Spain (Woods plc.), for Feed Water Heaters and Surface Condensers. The technology under these Agreements is being progressively absorbed by transfer of know-how and software, designs, and through deputing our personnel for training at the shops, offices and installation sites of our collaborators. In case of clarifications, the designs are vetted by the collaborators. This process continued during the year.

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

Strategic Collaboration and Licensing Agreement with United Conveyor Corporation, USA for Ash handling Packages for existing and upcoming Thermal Power Plants.

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

(a)	Details of technology imported	From BHI FW Corporation, USA for Combustion Modifications of Tangentially Fired PC Boilers.	From UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology.
(b)	Year of Import	Year ended 31st March 2021.	Year ended 31st March 2022.
(c)	Whether technology has been fully absorbed.	Not yet.	Not yet.
(d)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	One Order under this agreement was received during FY 23 for 6 T-fired PC Boiler Units and these are currently being executed with this technology. The technology has been partially absorbed based on training sessions conducted by the Licensor and is being utilised in order booked during FY 23.	The agreement has been entered into recently. Technology will be partially absorbed on successful commissioning of the projects under execution. Orders were booked in FY 23 for 6 Units of 210 MW each.

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

Total foreign exchange earnings and outgo (2022-23) – Cash basis	(Amount in ₹)
- Total foreign exchange earnings	5,73,82,39,468
- Total foreign exchange outgo	2,09,61,75,310


ISGEC

Schedule-I

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO

S. No.	Ratios	Numerator	Denominator	FY 2022-2023	FY 2021-2022	Percentage variance	Comments
1	Debtors turnover	Revenue from operation	Average debtors	1.78	1.80	-1.12%	
2	Inventory Turnover	Sale of products	Average inventory	6.87	7.69	-10.59%	
3	Interest Coverage Ratio	Profit before interest and tax	Interest cost	7.82	8.37	-6.49%	
4	Current Ratio	Current assets	Current liabilities	1.41	1.42	-1.02%	
5	Debt Equity Ratio	Total Debts	Total equity	0.23	0.24	4.17%	
6	Operating Profit Margin	Profit before interest and tax	Total revenue	5.82%	3.74%	55.89%	Profitability has improved due to: (a) during the previous year, fixed price longer duration orders were under execution and were adversly hit by increase in commodity prices leading to lower profitability, (b) increased export revenue where margins are better, and (c) normalization in prices of steel, copper, aluminium and nickel, which peaked in the previous year.
7	Net Profit Margin	Profit after tax	Total revenue	3.86%	2.54%	51.80%	
8	Return on net worth	Profit after tax	Total equity	9.21%	6.33%	45.61%	

Annexure - 3

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF COMPANIES ACT, 2013 AS AT 31-03-2023

(₹ in lakhs)

Sr. No.	Nature of the transaction (Loans given/ Guarantee given/Security Provided/ Investments made)	Purpose for which the loan/ guarantee/security is utilised by the recipient	As at March 31, 2023	As at March 31, 2022
1	**Guarantees Given to Banks for Subsidiary and Joint Venture Companies:**			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	54,705.00	52,187.50
	Isgec Titan Metal Fabricators Pvt. Ltd,	Corporate Guarantees to Secure Working Capital Bank facility	7,950.00	5,950.00
	Isgec Redecam Enviro Solutions Pvt. Ltd.	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
		Total	**64,655.00**	**60,137.50**
2	**Guarantees Given to Banks for Subsidiary Companies outside India:**			
	Eagle Press & Equipment Co. Ltd, Canada	SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan and Working Capital Credit Facilities to Eagle Press & Equipment Co. Ltd., Canada	5,985.56	6,517.80
	Cavite Biofuels Producers Inc. Philippines (Step down Subsidiary)	SBLC provided by Standard Chartered Bank India out of our Non Fund Based limits to Standard Chartered Bank Philippines to secure Term Loan Facility to Cavite Biofuels Producers Inc. Philippines	9,354.68	-
		Total	**15,340.24**	**6,517.80**
3	**Loans to Subsidiaries:**			
	Isgec Investments PTE Ltd. Singapore	To meet expenses of Subsidiary Company	6,239.19	5,246.63
	Eagle Press & Equipment Co. Ltd. Canada	For Capital Expenditure and Working Capital Facility	4,095.06	3,629.40
		Total	**10,334.25**	**8,876.03**

4	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Units	As at March 31, 2023	As at March 31, 2022
	Equity Shares of Subsidiary Companies (At cost):				
	Isgec Covema Limited	10	2,000,000	200.00	200.00
	Isgec Exports Limited	10	100,000	10.00	10.00
	Isgec Engineering & Projects Limited	10	4,000,000	400.00	400.00
	Saraswati Sugar Mills Limited	10	7,099,900	7,009.99	7,009.99
	Freelook Software Private Limited	10	24,650	1,306.45	1,306.45
	Eagle Press & Equipment Co. Ltd.	CAD 1	4,500,000	2,643.05	2,643.05
	Isgec Investments PTE Ltd.	SGD 1	10,000	5.20	5.20
	Isgec Hitachi Zosen Limited	10	51,000,000	5,100.00	5,100.00
	Isgec SFW Boilers Pvt. Limited	10	1,020,000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510,000	51.00	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited	10	1,020,000	102.00	102.00
			Total :	**16,929.69**	**16,929.69**
			Grand Total :	**101,273.62**	**85,943.22**

Note - In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to the employees as per Company's policy are not considered for the purpose of disclosure under Section 186(4) of the Companies Act, 2013.

Annexure - 4

Report on Corporate Governance

The report containing the details of Corporate Governance as required under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

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 principles of Corporate Governance, as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments thereof. The Company believes in both letter and spirit that sound Corporate Governance is critical for enhancing and retaining investor trust. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

The Company also fulfills its obligations of compliance with regard to Board of Directors including Independent Directors, Committees and appointment of Compliance Officer, filing information on electronic platform and with Stock Exchanges and publishing in newspapers.

2. BOARD OF DIRECTORS & DETAILS THEREOF

2.1 The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

2.2 Composition of the Board of Directors as at March 31, 2023 is as under:

Name of the Directors	Designation	Category
Mr. Ranjit Puri	Non-Executive Chairman	Promoter
Mr. Aditya Puri	Managing Director	
Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer	Non-Promoter, Executive Director
Mr. Sanjay Gulati	Whole-time Director and Head – Manufacturing Units	
Mr. Vishal Kirti Keshav Marwaha	Independent Director	Non-Promoter, Non-Executive Director
Mr. Sidharth Prasad		
Mr. Arvind Sagar		
Mrs. Rashi Sikka		

2.3 None of the Directors is a relative of any other Director(s) of the Company except Mr. Ranjit Puri and Mr. Aditya Puri who are related (Father-Son; Mr. Ranjit Puri being the father) and are the promoters of the Company.

2.4 Promoters of the Company have not pledged or created any type of encumbrances on equity shares held by them in the capital of Company. The other Directors of the Company have also not pledged any equity shares held in the Company.

2.5 Details of directorship(s) in other listed companies including category of their directorships as at March 31, 2023 are tabulated hereunder:

S. No.	Name of Director	Name of Listed Entities	Category
1	Mr. Ranjit Puri	The Yamuna Syndicate Limited	Non-Executive,
		Jullundur Motor Agency Limited	Non Independent Director
2	Mr. Aditya Puri	The Yamuna Syndicate Limited	Non-Executive, Non Independent Director
3	Mr. Kishore Chatnani	The Yamuna Syndicate Limited	Non-Executive, Non Independent Director
4	Mr. Sanjay Gulati	-	-
5	Mr. Vishal Kirti Keshav Marwaha	-	-
6	Mr. Sidharth Prasad		
7	Mr. Arvind Sagar		
8	Mrs. Rashi Sikka		

2.6 Independent Directors of the Company do not hold directorship in any other listed company. Further, none of the Directors had any relationships inter-se.

2.7 The Independent Non-Executive Directors of the Company provided an annual confirmation that they meet the criteria of independence. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Appointment Letters issued to Independent Directors are available on the Company's website and may be accessed through the following weblink https://www.isgec.com/independent-directors-investor.php.

Based on the confirmations/ declarations received, the Board of Directors is of the opinion that the Independent Non-Executive Directors fulfill the criteria or conditions specified under the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

2.8 **Appointment and Resignation of Independent Director(s)**

2.8.1 **Appointment**

Mrs. Rashi Sikka was appointed as an Independent Director on the Board of the Company with effect from May 28, 2022. Her appointment was regularized in 89th Annual General Meeting held on Wednesday, August 24, 2022.

2.8.2 **Resignation**

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

2.9 Attendance of each Director at the Board Meetings and at the last Annual General Meeting, number of other Boards or Committees in which he/she is a Member or Chairperson, as at March 31, 2023, is tabulated hereunder:

Name of the Director	No. of Board Meetings held during the financial Year	No. of Board Meetings attended	Whether attended the last Annual General Meeting	Directorships and Committee Memberships in other companies as disclosed			
				Public	Private	Committee Membership	Committee Chairmanship
Non-Independent Non-Executive Director							
Mr. Ranjit Puri Chairman	4	4	Yes	4	0	1	1
Executive Director							
Mr. Aditya Puri, Managing Director	4	4	Yes	9	0	2	0
Mr. Kishore Chatnani Whole-time Director & Chief Financial Officer	4	4	Yes	5	0	0	0
Mr. Sanjay Gulati Whole-time Director & Head-Manufacturing Units	4	4	Yes	1	0	0	0
Independent Non-Executive Directors							
Mr. Vishal Kirti Keshav Marwaha#	4	2	Yes	0	1	0	0
Mr. Sidharth Prasad	4	4	Yes	3	5	0	0
Mr. Arvind Sagar	4	4	Yes	0	0	0	0
Mrs. Rashi Sikka*	3	3	Yes	0	3	0	0

* Mrs. Rashi Sikka was appointed as an Independent Director with effect from May 28, 2022.

Mr. Vishal Kirti Keshav Marwaha is Director in one Private Limited Company, which is under liquidation.

2.10 Details of number of shares held by Non-Executive Directors in the paid-up capital are tabulated hereunder:

S. No	Name of Director	Number of Shares held	% of Shares held
1	Mr. Ranjit Puri	65,92,010	8.97%
2	Mr. Vishal Kirti Keshav Marwaha	Nil	Not Applicable
3	Mr. Sidharth Prasad	Nil	Not Applicable
4	Mr. Arvind Sagar	Nil	Not Applicable
5	Mrs. Rashi Sikka	Nil	Not Applicable

2.11 During the Financial Year 2022-23, Four (04) Board Meetings were held on May 28, 2022, August 10, 2022, November 11, 2022 and February 13, 2023.

2.12 Familiarization programmes imparted to Independent Directors is disclosed on the website of the Company and may be accessed through the following weblink https://www.isgec.com/familiarization-programme-independent-directors.php.

2.13 The Board comprises the members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The Matrix setting out the Skills, Expertise and Competencies available with the Board in context of business of the Company is as under:

Name of the Director	Industry Knowledge & experience	Leadership	Business Strategy, Governance & Decision making	Technology	Financial Management	Human Resource Management	Regulatory	Marketing & Exports
Mr. Ranjit Puri	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Aditya Puri	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kishore Chatnani	✓	✓	✓		✓		✓	
Mr. Sanjay Gulati	✓	✓	✓	✓		✓		✓
Mr. Vishal Kirti Keshav Marwaha					✓		✓	
Mr. Sidharth Prasad		✓	✓		✓	✓	✓	
Mr. Arvind Sagar		✓	✓	✓				✓
Mrs. Rashi Sikka					✓	✓	✓	

3. AUDIT COMMITTEE

3.1 The Company has a qualified and independent Audit Committee in conformity with the provisions of Section 177 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2 Composition of Audit Committee and attendance of the Members at the meetings held during the Financial Year 2022-23 is tabulated hereunder:

Name of the Director	Designation	Audit Committee meetings dates and attendance			
		May 28, 2022	August 10, 2022	November 11, 2022	February 13, 2023
Mr. Vishal Kirti Keshav Marwaha	Chairman	-	-	✓	✓
Mr. Sidharth Prasad	Member	✓	✓	✓	✓
Mr. Arvind Sagar	Member	✓	✓	✓	✓
Mr. Aditya Puri	Member	✓	✓	✓	✓

Mr. Sachin Saluja, Company Secretary & Compliance Office of the Company acts as Secretary to Audit Committee.

3.3 Video / Tele-conferencing facility is offered to facilitate Members of the Audit Committee to participate in the meetings, if required.

3.4 The Company invites Statutory Auditors at the meetings of Audit Committee to discuss quarterly/half-yearly/ Yearly financial accounts, yearly audit plan, matters relating to compliance with accounting standards, matters arising out of annual audit and other related matters.

3.5 **Brief description of terms of reference**

The terms of reference and composition of the Audit Committee satisfy the requirements of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 18 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Terms of reference are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans given and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the vigil mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is assigned by the Board from time to time;
- Examination of the financial statements and the auditors' report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- To review the utilization of loan/advances/ investment by holding company in subsidiary company exceeding ₹ 100 crore or 10% of the asset size of the subsidiary company, whichever is lower.

In addition to terms of reference as detailed above, the Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews the following information:

i. Management discussion and analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iv. Internal audit reports relating to internal control weaknesses;

v. The appointment, removal and terms of remuneration of the chief internal auditor; and

vi. Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) (whenever applicable).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) (whenever applicable).

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 The Company has Nomination and Remuneration Committee in place in conformity with the provisions of Section 178 of the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.2 Composition of Nomination and Remuneration Committee and attendance of the Members at the meetings held during the Financial Year 2022-23 is tabulated hereunder:

Name of the Director	Designation	Nomination and Remuneration Committee meeting date and attendance
		May 26, 2022
Mr. Sidharth Prasad	Chairman	✓
Mr. Arvind Sagar	Member	✓
Mr. Vishal Kirti Keshav Marwaha	Member	✓

Mr. Sachin Saluja, Company Secretary & Compliance Officer of the Company, acts as Secretary to Nomination and Remuneration Committee.

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

4.4 **Brief description of terms of reference**

The terms of reference and composition of the Nomination and Remuneration Committee satisfy the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Terms of reference are as under:

i. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

ii. Recommending to the Board, all remuneration, in whatever form, payable to the Senior Management;

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

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

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

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

4.5 **Performance evaluation criteria for the Board, its Committees, the Directors including Independent Directors and Chairman of the Board**

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated. 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.

In addition, the performance of individual directors (including Executive and other Non-executive Directors other than Independent Directors) was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness.

As a process, an annual performance evaluation of the Board, its Committees, the Directors and Chairman of the Board, was undertaken in accordance with Guidance Note issued by Institute of Companies Secretaries of India.

5. **Stakeholders Relationship and Grievance Committee**

5.1 The Company has Stakeholders Relationship and Grievance Committee in place in conformity with the provisions of Section 178 read with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee oversees, inter-alia, redressal of shareholder and investor grievances, transmission/ transposition of shares, non-receipt of annual report or declared dividend, issue of letter of confirmation in lieu of duplicate shares, exchange of new design share certificates, reviewing dematerialisation of shares and related matters.

5.2 The roles and Grievance responsibilities of the Stakeholders Relationship Committee are in consonance with the provisions as prescribed under Section 178 of the Company Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

5.3 Composition of Stakeholders Relationship and Grievance Committee at the end of Financial Year 2022-23 is tabulated hereunder:

Name of the Director	Designation
Mr. Ranjit Puri, Chairman and Non-executive Director	Chairman
Mr. Sidharth Prasad, Independent Non-executive Director	Member
Mr. Arvind Sagar, Independent Non-executive Director	Member
Mrs. Rashi Sikka, Independent Non-executive Director#	Member

Mrs. Rashi Sikka was inducted as Member in the Stakeholders Relationship and Grievance Committee on August 10, 2022.

5.4 Details of the Compliance Officer are as under:

Name of the Compliance Officer	Designation	Contact Details
Mr. Sachin Saluja	Company Secretary & Compliance Officer	Contact No.: +91-120-408 5408, E-mail id.: cs@isgec.co.in

5.5 During the Financial Year under consideration, the Company has received few complaints from the Shareholders and status of complaints as at March 31, 2023 is as under:

Number of Complaint(s) Received	Complaint(s) Resolved	Complaint(s) pending
4	4	0

All complaints received or registered under the SEBI complaint redressal system (SCORES) were duly resolved to the satisfaction of shareholders / complainants. There was no investor complaint unresolved / pending as at March 31, 2023.

6. RISK MANAGEMENT COMMITTEE

6.1 The Company has Risk Management Committee in place in conformity with the provisions of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 1,000 listed entities, determined based on market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee.

6.2 The Company has a robust Risk Management Policy in place, which identifies and evaluates business risks and opportunities. It also monitors and reviews the risk management plan along with such other functions as assigned to it from time to time. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives.

6.3 Composition of the Risk Management Committee and attendance of the Members at the meetings held during the Financial Year 2022-23 is tabulated hereunder:

Name of the Director	Designation	Risk Management Committee meeting date and attendance	
		July 06, 2022	December 28, 2022
Mr. Sidharth Prasad	Chairman	✓	✓
Mr. Aditya Puri	Member	✓	✓
Mr. Sanjay Gulati	Member	✓	✓

Mr. Sachin Saluja, Company Secretary & Compliance Officer of the Company, acts as Secretary to Risk Management Committee.

6.4 Brief description of terms of reference

Terms of reference of the Risk Management Committee are as under:

i. Overseeing key risks, including strategic, financial, operational and compliance risks;

ii. Assisting the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;

iii. To develop appropriate cyber security measures;

iv. To encourage the Board to give cyber-security issues on a high priority and to strong oversight as part of good governance;

v. To help in security IT systems & mitigate cyber security risks by protecting the systems, applications, information & devices against unauthorized access and cyber-attacks;

vi. To take necessary steps to ensure security, integrity and confidentiality of records.

7. REMUNERATION OF DIRECTORS

7.1 Details of remuneration paid to Directors of the Company for the Financial Year ended March 31, 2023 are as under:

7.1.1 Remuneration to Non-Executive Directors:

Non-executive Directors are entitled to receive the following:

- Sitting Fee, as fixed by the Board of Directors within the limits specified under the Companies Act, 2013; and
- Commission of ₹ 25,000/- p.a. to each Non-executive Director.

7.1.2 Details of Remuneration paid to Non-Executive Directors are tabulated hereunder:

Amount in ₹

Name of Director	Nature of Payment and Amount		Total Amount
	Commission	Sitting Fee	
Mr. Ranjit Puri	25,000	4,30,000	4,55,000
Mr. Sidharth Prasad	25,000	4,70,000	4,95,000
Mr. Arvind Sagar	25,000	4,50,000	4,75,000
Mr. Vishal Kirti Keshav Marwaha	25,000	2,40,000	2,65,000
Mrs. Rashi Sikka#	21,096	3,10,000	3,31,096
Total	**1,21,096**	**19,00,000**	**20,21,096**

Mrs. Rashi Sikka was appointed as Independent Non-executive Director from May 28, 2022.

7.1.3 Apart from payment of sitting fee and commission to Non-executive Directors, there has been no pecuniary relationship or transactions between the Company and Non-executive Directors during the financial year under consideration.

7.2 Remuneration to Executive Directors

Executive Directors are entitled to receive Salary, Contribution to Provident Fund, Group Gratuity Fund & Superannuation Fund, Other Perquisites and Commission.

7.2.1 Details of Remuneration paid to Executive Directors are tabulated hereunder:

₹ in Lakh(s)

S. No.	Name of the Director	Mr. Aditya Puri	Mr. Kishore Chatnani	Mr. Sanjay Gulati	Total
	Designation	Managing Director	Whole Time Director & CFO	Whole-Time Director & Head - Manufacturing	
	Components				
(i)	Salary	120.00	135.12	89.56	344.68
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	27.90	7.49	5.51	40.90
(iii)	Other Perquisites	2.97	1.03	6.50	10.50
(iv)	Commission	528.20	-	-	528.20
	Total	**679.07**	**143.64**	**101.57**	**924.28**
	Service Contract Notice period	5 years till April 30, 2026	5 years till June 27, 2026	5 years till June 27, 2026	
	Severance fees	Nil	Nil	Nil	

7.3 There is no Stock Option Scheme prevailing in the Company.

8. GENERAL BODY MEETINGS

8.1 Details of last Three (03) Annual General Meetings of the Company are hereunder:

AGM	Financial Year ended	Date & Time	Venue	Special Resolution passed
87th	March 31, 2020	September 18, 2020 11:30 A.M.	Meeting held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Re-appointment of Mr. Sidharth Prasad (DIN:00074194) and Mr. Vishal Kirti Keshav Marwaha (DIN:00164204) as Independent Directors.
88th	March 31, 2021	September 17, 2021 11:30 A.M		1. Appointment of Mr. Ranjit Puri as a Non-Executive Director; 2. Increase in Borrowing Limits
89th	March 31, 2022	August 24, 2022 11:30 A.M.		Appointment of Mrs. Rashi Sikka (DIN: 00320145) as an Independent Director

8.2 Apart from the Annual General Meeting, no other General Meeting was held during the Financial Year 2022-23.

8.3 **Postal Ballot**

8.3.1 During the Financial Year 2022-23, no Special resolution was passed through postal ballot.

8.3.2 No special resolution is proposed to be conducted through postal ballot.

9. MEANS OF COMMUNICATION

9.1 The Quarterly / Annual Financial Results were widely published in the following newspapers:

a) Business Line (English); and

b) Hari Bhoomi (Hindi)

9.2 The Quarterly / Annual Financial Results were also displayed on the website of the Company at www.isgec.com and the same may be accessed through the following web link https://www.isgec.com/aboutus-financials-annual-reports-inv.php.

9.3 All official Press Releases / Presentations / Earning Calls after publication of Quarterly / Annually Financial Results made to analysts and institutional investors and other general information, if required about the Company, have been made available to the Stock Exchanges to enable them to put on their websites (i.e., www.bseindia.com and www.nseindia.com) and communicate to their Members. These documents are also available under the "Investor Relations" on the website of the Company.

9.4 Annual Report for Financial Year 2021-22 containing Notice, Board's Report, Corporate Governance Report, Annual Financial Statements (Consolidated and Standalone) together with Auditors' Report thereon, were sent to the members of the Company whose email addresses are registered with the Company/ Depository Participant(s). Annual Report 2021-22 is also available on the website of the Company and may be accessed through the following weblink https://www.isgec.com/aboutus-financials-annual-reports-investor.php.

10. GENERAL SHAREHOLDER INFORMATION

10.1 90th Annual General Meeting is scheduled to be held on Wednesday, August 23, 2023 at 11.30 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

10.2 Book Closure is from Thursday, August 17, 2023 to Wednesday, August 23, 2023 (both days inclusive).

10.3 The Company is following April 01 to March 31 as its Financial Year.

10.4 Final Dividend payment date is September 21, 2023 for Financial Year 2022-23.

10.5 Demat ISIN allotted for the equity shares is INE858B01029.

10.6 Promoters and Promoters Group hold their entire shareholding in demat form.

10.7 Equity Shares of the Company are listed on the following Stock Exchanges having nationwide terminal:

S. No.	Name and Address of the Stock Exchange	Scrip Code
1	BSE Limited (BSE) 25th Floor, P.J. Tower, Dalal Street Fort, Mumbai-400001, Maharashtra	533033
2	National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra	ISGEC

10.8 The Company has paid the Annual listing fee for the Financial Year 2022-23 to the National Stock Exchange of India Limited and BSE Limited.

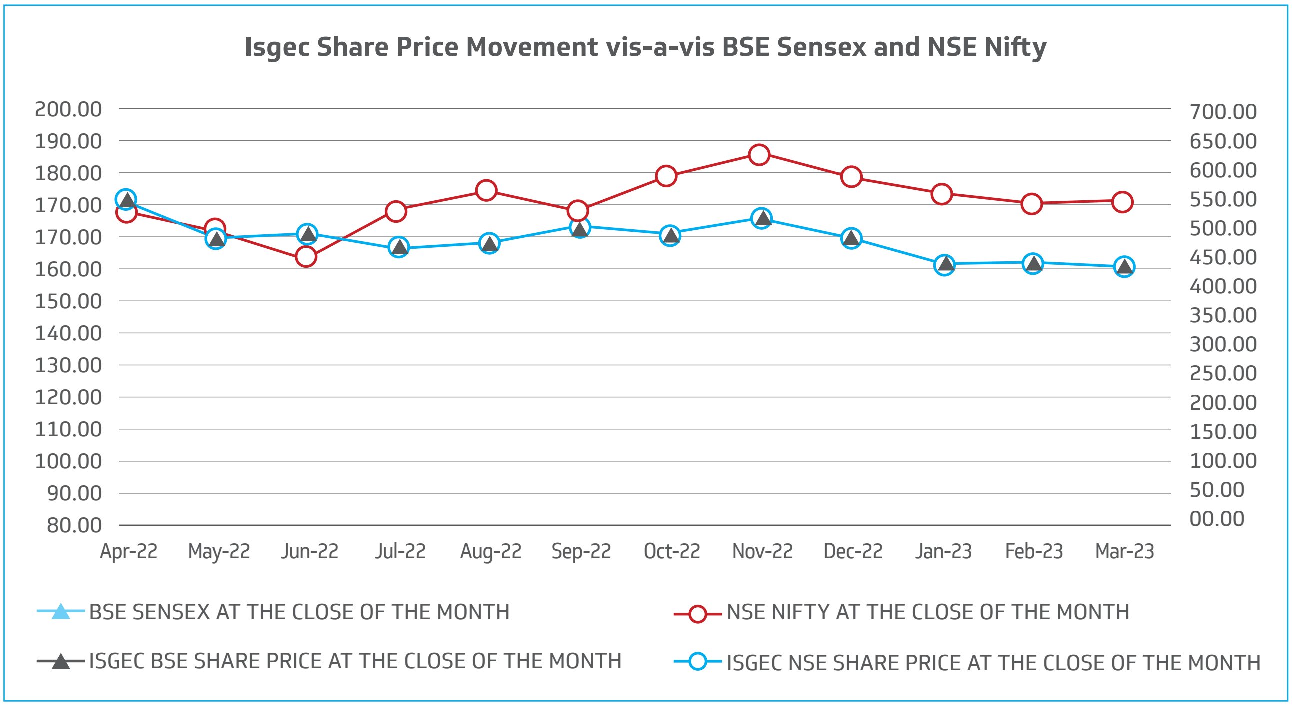
10.9 The Company has paid the Annual Custody Fee for the Financial Year 2022-23 to National Securities Depository Limited and Central Depository Services (India) Limited.

10.10 Market Price Data: High and Low during each month in the financial year 2022-23 on BSE and NSE:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange	
	Highest	Lowest	Highest	Lowest
April	601.20	518.00	599.00	514.05
May	586.90	481.10	586.00	481.00
June	500.00	426.20	519.00	425.00
July	521.60	451.00	522.50	450.65
August	492.00	443.30	491.00	440.00
September	567.50	465.50	568.00	468.00
October	532.45	469.65	532.40	469.55
November	534.70	448.15	535.00	448.90
December	538.50	455.00	539.90	460.10
January	494.95	432.15	492.50	432.20
February	511.00	435.95	512.00	436.00
March	525.00	418.25	526.00	417.85

10.11 Share Price movement vis-a vis BSE Sensex and NSE Nifty:



10.12 Securities suspended from trading

Not Applicable

10.13 Details of Registrar and Transfer Agents are as under:

Alankit Assignments Limited

'Alankit House', 4E/2, Jhandewalan Extension, New Delhi – 110055, INDIA

Phone: +91-11-42541234, 23541234

Fax : +91-11-23552001, Email: alankit@alankit.com

10.14 Share Transfer System

In terms of Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of transmission and transposition. Members holding shares in physical form are requested to consider converting their holdings in dematerialized form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

10.15 Distribution of Shareholding:

Distribution of shareholding as at March 31, 2023 is tabulated hereunder:

Shareholding of Nominal Value			Shareholders		Share Amount	
₹		₹	Number	% of Total	(In ₹)	% of Total
Up-to		5,000	32,854	98.63	62,36,490	8.48
5,001	-	10,000	209	0.63	15,37,822	2.09
10,001	-	20,000	98	0.29	14,34,132	1.95
20,001	-	30,000	47	0.14	11,31,213	1.54
30,001	-	40,000	24	0.07	837571	1.14
40,001	-	50,000	17	0.05	785695	1.07
50,001	-	1,00,000	23	0.07	1697910	2.31
1,00,001	and	above	37	0.11	59868677	81.42
TOTAL			**33,309**	**100.00**	**7,35,29,510**	**100.00**

10.16 Shareholding pattern as at March 31, 2023:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	05	4,59,04,888	62.43
Others (Public)	33,304	2,76,24,622	37.57

10.17 Dematerialization of shares and liquidity

The Company's equity shares are under compulsory demat trading for all categories of investors. A total of 7,25,47,780 shares have been dematerialised as on March 31, 2023, representing 98.67% of the total equity capital.

10.18 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

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

10.19 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

10.20 Plant and Business locations are given hereunder:

A.	Manufacturing Segment		
	Plant Location - Name	**Item of Manufacture**	**Address for correspondence**
(i)	Radaur Road, Yamunanagar	Pressure Vessels & Heat Exchangers, Presses– Mechanical & Hydraulic, Boilers, Containers, Castings, Sugar and other Industrial Machinery.	Isgec Heavy Engineering Limited Radaur Road, Yamunanagar-135001, Haryana
(ii)	Rattangarh, Yamunanagar	Pressure Parts for Boilers	Isgec Heavy Engineering Limited Rattangarh, Yamunanagar-135001, Haryana
(iii)	Dahej, Gujarat	Pressure Vessels, Columns, Heat Exchangers.	Isgec Heavy Engineering Limited 13/B, G.I.D.C Industrial Estate, Dahej, Taluka- Vagra, Dist. Bharuch – 392130, Gujarat.
(iv)	Dahej, Gujarat	Process Equipment	Isgec Heavy Engineering Limited Plot No. Z-89, Dahej Special Economic Zone Part-II, Taluka: Vagra, Bharuch-392130, Gujarat
(v)	Muzaffarnagar, Uttar Pradesh	Castings - Steel & Iron	Isgec Heavy Engineering Limited Village Nara, P.O. Mansurpur –251203, District Muzaffarnagar, Uttar Pradesh
(vi)	Bawal, Haryana	Standard Mechanical Presses and other Industrial Machinery	Isgec Heavy Engineering Limited Plot No. 123, Sector-6, HSIIDC, Industrial Growth Centre, Bawal, Distt. Rewari-123501 Haryana
B.	**Engineering, Procurement and Construction Segment- Business location**		
(i)	Noida, Uttar Pradesh	Boilers, Air Pollution Control Equipment, Sugar Plant & Machinery, Power Plants, Factories and Material Handling System and Water Treatment	(i) A-5, A-7, A-8 and A-56 Sector – 63 Noida – 201301, Uttar Pradesh; (ii) A-4, Sector – 24, Noida – 201301, Uttar Preadesh
(ii)	Chennai, Tamil Nadu	Design office	25, MC Nichols Road, Grace Building, Chetpet, Chennai-600031, Tamil Nadu
(iii)	Pune, Maharashtra	Design office	T-29/31, Om Chambers, 303 Bhosari, Telco Road, MIDC, Bhosari, Pimpri- Chinchwad, Maharashtra-411026

C.	**Other Business locations:**	
(i)	Mumbai, Maharashtra	2nd Floor, Great Social Building, 60 P Mehta Road, Fort Mumbai, Maharashtra-400001
(ii)	New Delhi	A-51, Vasant Marg, Vasant Vihar, New Delhi-110057

10.21 Address for Correspondence is as under:

Corporate Office:	A-4, Sector – 24, Noida – 201 301, Uttar Pradesh Tel. : +91-120-408 5001/ 5002 Fax.: +91-120-241 2250 e-mail: cs@isgec.co.in
Registered Office:	Radaur Road, Yamunanagar-135 001, Haryana. Tel: 01732-661061 Email : roynr@isgec.com

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

11.OTHER DISCLOSURES

11.1 **Materially significant Related Party Transactions**

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

11.2 Details of non-compliance by the company, penalties, strictures imposed on the Company by BSE or NSE or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**

11.3 **Vigil Mechanism/Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistle Blower Policy for Directors, Stakeholders, Individual Employees and their Representative Bodies to report and communicate his/her/their genuine concerns, illegal or unethical practices and instances of leak of Unpublished Price Sensitive Information. The Audit Committee of the Company oversees the Vigil Mechanism. The Vigil Mechanism has been disclosed on website of the Company. In case of appropriate or exceptional cases or if the complaint relates to the Key Managerial Personnel, Non-Independent Directors, the person complaining may report to or communicate with Mr. Vishal Kirti Keshav Marwaha, Chairman of the Audit Committee.

11.4 **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements. As a good governance practice, the Board of Directors endevour to give all other disclosures which may be important for the stakeholders of the Company.

11.5 Policy for determining Material Subsidiary Company (ies) may be accessed through the following weblink https://www.isgec.com/pdf/PolicyforDeterminingMaterialSubsidiaries1612020.pdf.

11.6 Policy on dealing with Related Party Transactions may be accessed through the following weblink https://www.isgec.com/pdf/PolicyonMaterialityofRelatedPartyTransactionsandonDealingwithRelatedPartyTransactions1822020.pdf.

11.7 During the period under consideration, the Company has not raised funds through preferential allotment or qualified institution placement.

11.8 The Company has obtained a certificate from Mr. Pramod Kothari, Company Secretary in practice, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority. Certificate received from Company Secretary in practice is annexed as **Annexure – B**.

11.9 **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons, thereof:**

Nil

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

₹ in Lakhs

Particulars	Isgec Heavy Engineering Limited	Saraswati Sugar Mills Limited	Isgec Hitachi Zosen Limited	Total
Statutory Audit Fee	30.00	7.00	4.00	41.00
In other capacity	1.49	-	0.06	1.55
Reimbursement of Expenses	5.22	2.72	0.09	8.03
Total	**36.71**	**9.72**	**4.15**	**50.58**

11.11 Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report. Please refer to Para - 34 for detailed disclosure in this regard.

11.12 During the Financial Year under consideration, no loans and advances in the nature of loans to firms/ companies in which directors are interested was given by the Company and its subsidiaries exchange as disclosed in Audited Financial Statements.

11.13 No event of Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been observed.

11.14 The Company has not adopted any Discretionary requirement as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11.15 The Company has complied with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 17 to 27 and Regulation 46 of aforesaid Regulations. The Company submits a quarterly compliance report on Corporate Governance signed by Compliance Officer to the Stock Exchanges within 21 (Twenty One) days from the close of every quarter. Such quarterly compliance reports on Corporate Governance are also posted on website of the Company.

For and on behalf of the Board of Directors of
Isgec Heavy Engineering Limited

Aditya Puri
Managing Director
DIN: 0052534

Date: 29.05.2023
Place: Noida

Annexure-A

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

Amount (₹/Crore)

ICRA Ltd. communication letter	Date	Status of rating	Fund Based Bank Limits (Rated on Long Term Scale)		Non Fund Based Bank Limits (Rated on Short Term Scale)		Fund Based / Non Fund Based Bank Limits (Rated on Long Term and Short Term Scale)		Total rated amount
			Amount	Rating assigned	Amount	Rating assigned	Amount	Rating assigned	
ICRA/ISGEC Heavy Engineering Limited/21052021/1	May 21, 2021	Revision	600.00	[ICRA]AA (Negetive)	2755.17	[ICRA]A1+	1044.83	[ICRA]AA (Negetive/A1+)	4400.00
ICRA/ISGEC Heavy Engineering Limited/23082022/1	August 23, 2022	Revision	600.00	[ICRA]AA (Stable)	2755.17	[ICRA]A1+	1044.83	[ICRA]AA (Stable/A1+)	4400.00
ICRA/ISGEC Heavy Engineering Limited/24112022/1	November 24, 2022	Enhancement	600.00	[ICRA]AA (Stable)	3800.17	[ICRA]A1+	1099.83	[ICRA]AA (Stable/A1+)	5500.00

Annexure-B

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

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed and continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in the company*	Designation	Date of cessation*
1	Ranjit Puri	00052459	14/10/1981	Director	-
2	Aditya Puri	00052534	30/04/1996	Managing Director	-
3	Sidharth Prasad	00074194	31/10/2015	Director	-
4	Vishal Kirti Keshav Marwaha	00164204	30/03/2017	Director	-
5	Arvind Sagar	09210612	28/06/2021	Director	-
6	Kishore Chatnani	07805465	28/06/2021	Whole-time Director	-
7	Sanjay Gulati	05201178	28/06/2021	Whole-time Director	-
8	Rashi Sikka	00320145	28/05/2022	Director	-

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

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

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

For **Pramod Kothari & Co.**
Company Secretaries
Peer Review Certificate No. 852/2020

Pramod Kothari
Proprietor
CP No: 11532: Membership No. F7091
UDIN: F007091E000360015

Noida, May 23, 2023

Annexure - 5

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by ISGEC HEAVY ENGINEERING LIMITED (hereinafter called the "Company") having CIN L23423HR1933PLC000097. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other statutory records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on 31st March 2023 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and compliance–mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records made available to us and maintained by the Company for the Audit Period according to the applicable provisions of:

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

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

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

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

(b) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

We further report that

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that

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

We further report that

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

We further report that

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

For **Pramod Kothari & Co.**
Company Secretaries
Peer Review Certificate No. 852/2020

Pramod Kothari
Proprietor
CP No: 11532: Membership No. F7091

Noida, May 29, 2023
UDIN: F007091E000585482

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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

To,
The Members,
Saraswati Sugar Mills Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Saraswati Sugar Mills Limited (hereinafter called the "Company") having CIN U01115HR2000PLC034519. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Companies books, papers, minute books, forms, and returns filed and other statutory records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit,

We hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on 31st March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and that the Company has proper Board–processes and compliance–mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and return filed, and other statutory records maintained by the Company for the financial year ended on 31ST March 2023 according to the provisions of:

1. The Companies Act, 2013 (The Act) and the rules made there under.
2. The Environment Protection Act.
3. The Disposal of Hazardous Waste Rules.
4. The Sugar Cess Act, 1982.
5. The Levy Sugar Price Equalisation Fund Act, 1976.
6. The Food Safety and Standards Act, 2006.
7. The Essential Commodities Act, 1955.
8. The Sugar Development Fund Act, 1982.
9. All the Labour Laws as applicable to the company.

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

We further report that:

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

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

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

We further report that:

In our opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines. As informed, the Company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating action for corrective measures wherever found necessary.

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

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

For **Pramod Kothari & Co.**
Company Secretaries
Peer Review Certificate No. 852/2020

Pramod Prasad Kothari
Proprietor
CP No: 11532: Membership No. F7091
UDIN: F007091E000234615

Noida, May 02, 2023

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

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

1. This certificate is issued in accordance with our terms of engagement letter dated 16th May 2023.

2. The accompanying Corporate Governance Report prepared by Isgec Heavy Engineering Limited (hereinafter the "Company"), contains details as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time (the "listing regulations") with respect to corporate governance for the year ended March 31, 2023.

Management Responsibility

3. The preparation of the corporate governance report is the responsibility of management of the Company including preparation and maintenance of all the relevant supporting records and documents. The responsibility also includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the corporate governance report.

4. The Management along with Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by Securities and Exchange Board of India.

Auditors Responsibility

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

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

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

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

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

Other Matter and Restriction on Use

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

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

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

(ABHINAV KHOSLA)
PARTNER
MEMBERSHIP No.:087010
ICAI UDIN: 23087010BGZFEK7097

PLACE: Noida
DATE: 29th May, 2023

Annexure - 6

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)	78
		2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer)	17
		3) Mr. Sanjay Gulati (Whole-time Director & Head-Manufacturing Units)	12
(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)	35%
		2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer)	25%
		3) Mr. Sanjay Gulati (Whole-time Director & Head Manufacturing Units)	26%
		4) Mr. Sudershan Kumar Khorana (Company Secretary) *	-
		4) Ms. Shweta Agarwal (Company Secretary) **	-
		4) Mr. Sachin Saluja (Company Secretary) ***	-

* Mr. Sudershan Kumar Khorana ceased to be Executive Director & Company Secretary from 1st June 2022.

** Ms. Shweta Agarwal joined on 1st June 2022 & ceased to be Company Secretary from 15th November 2022.

*** Mr. Sachin Saluja joined as Company Secretary from 15th November 2022.

Independent Directors:

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

Independent Directors are paid maximum remuneration of ₹ 25,000 per annum. Besides this, they are paid sitting fees for attending Board and Committee meetings. Details of sitting fees paid to independent Directors are given in the report on Corporate Governance forming part of Annual Report and hence, are not included in the above table. The Non-Independent Directors do not receive any sitting fees.

(iii)	**the percentage increase in the median remuneration of employees in the financial year;**	6.84%
(iv)	**the number of permanent employees on the rolls of Company;**	2869 as on 31st March 2023 (2826 as on 31st March 2022)
(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 2022-23 is 7.29%.

Remuneration of Managing Director, Wholetime Directors and Company Secretary are as under:

(₹ in Lakh)

Name of the Person	Designation	2022-23	2021-22
1. Mr. Aditya Puri	Managing Director	679.07	500.00
2. Mr. Sudershan Kumar Khorana	Executive Director & Company Secretary *	31.80	70.06
3. Mr. Kishore Chatnani	Whole-time Director & Chief Financial Officer	143.64	114.85
4. Mr. Sanjay Gulati	Whole-time Director & Head Manufacturing Units	101.57	80.93
5. Ms. Shweta Agarwal	Company Secretary **	17.83	-
6. Mr. Sachin Saluja	Company Secretary ***	13.82	-

* Mr. Sudershan Kumar Khorana ceased to be Executive Director & Company Secretary from 1st June 2022.

** Ms. Shweta Agarwal joined on 1st June 2022 & ceased to be Company Secretary from 15th November 2022.

*** Mr. Sachin Saluja joined as Company Secretary from 15th November 2022.

(vi) affirmation that the remuneration is as per the remuneration policy of the Company.

Remuneration is paid as per the remuneration policy of the Company

Annexure - 7

Business Responsibility and Sustainability Report

Isgec Heavy Engineering Limited
National Guidelines on Responsible Business Conduct (NGRBC)

Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle wise Performance Disclosure
Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

A. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR) – ISGEC HEAVY ENGINEERING LIMITED

Incorporated in 1933, Isgec Heavy Engineering Limited (hereinafter referred to as "Isgec" or "the Company") is one of the leading heavy engineering companies in India. With over nine decades of operations, the Company has established its reputation as one of the most trusted brands across the world through its strong innovation and technical capabilities, vast portfolio, manufacturing excellence and ability to provide quality products to its esteemed customer base.

It manufactures a wide range of sustainable engineering solutions classified into two broad segments-Manufacturing and Engineering, Procurement & Construction (EPC). The Company's manufacturing segment includes Process Equipment, Presses, Steel and Iron Castings, Boiler Panels and Piping and Contract Manufacturing of Industrial products. Its EPC segment includes Industrial & Utility Boilers, Sugar Plants & Distilleries, Power Plants, Air Pollution Control Equipment, Industrial Wastewater Treatment projects, Bulk Material Handling projects and Civil Construction including Factories.

The Company caters to diverse sectors including Power, Fertilizer, Steel, Oil & Gas, Cement, Automobiles, Defence, Sugar & Distillery and Cement sectors in 91 Countries. It is continuously expanding its penetration across India and international markets.

The Company's state-of-the-art manufacturing units are located at Yamunanagar, Rattangarh and Bawal in Haryana, Muzaffarnagar in Uttar Pradesh and Dahej in Gujarat. The plant at Dahej is equipped with Ro-Ro jetty facility. Spread over 100 hectares, these manufacturing facilities cover a shop floor area of over 120,000 sq. mtr. with world-class manufacturing and testing facilities.

As a leading company providing products and solutions for multiple industries, Isgec is geared up to support the country's capital investment as well as our focus markets abroad.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L23423HR1933PLC000097
2.	Name of the Listed Entity	Isgec Heavy Engineering Limited
3.	Year of incorporation	23/01/1933
4.	Registered office address	Radaur Road, Yamuna Nagar-135001, Haryana
5.	Corporate address	A-4, Sector-24, Noida, Uttar Pradesh - 201301
6.	E-mail	cs@isgec.co.in
7.	Telephone	0120-4085408
8.	Website	www.isgec.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	INR 735.29 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Kishore Chatnani Whole-time Director & CFO chatnani@isgec.com +91 120 4085405
13.	**Reporting boundary** Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis.

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY'23)
1	EPC (Engineering Procurement & Construction) Projects	Isgec undertakes projects for supply of Boilers, Sugar plants, Power plants, Air Pollution Control Equipment, Material handling systems on EPC basis.	69%
2	Manufacturing	**Manufacturing of Machinery and Equipment:** Isgec manufactures heavy capital goods such as Mechanical and Hydraulic Presses, Steel and Iron Castings, Boiler Tubes and Panels Process Plant equipment and Liquified Gas Containers.	31%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Boiler and Boiler Parts	25123	22.5
2	Sugar Machinery	28259	13.6
3	Erection, commissioning and related services	41003	9.8
4	Air Pollution Control Equipment	28299	6.2
5	Presses	25910	7.7
6	Railway Projects	42102	7.6
7	Pressure Vessels, Heat Exchangers	28140	6.5
8	Castings	24319	6.1
9	Material Handling Equipment	28162	3.6
10	Power Plants	42201	3.3
11	Containers	25129	3.3
12	Distillery Plant	42901	0.99

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	7	13
International	0	1	1

17. Markets served by the entity:

a. **Number of locations**

Locations	Number
National (No. of States)	23*
International (No. of Countries)	1**

*Note: Isgec has a wide network of offices and Project Sites across India to support its business operations. The Company has identified its number of locations based on the Goods and Services Tax (GST) numbers for each location.

**Isgec has marketing agents in many countries, and its own representative office in Thailand.

b. **What is the contribution of exports as a percentage to the total turnover of the entity?**

Isgec has over the years built a strong market overseas as well with the consistent delivery of high-quality products and services. In FY 23, the exports contributed 13.2% of the total turnover of the entity.

c. **A brief on types of customers**

Isgec supplies Machinery, Equipment and Projects to industrial companies in various sectors including Power, Oil & Gas, Petrochemicals, Automobiles, Fertilizer, Sugar, Steel, Cement, Chemicals, Railways, Space and Ports in India and abroad.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2354	2304	98%	50	2%
2.	Other than Permanent (E)	381	371	97%	10	3%
3.	Total employees (D + E)	2735	2675	98%	60	2%
WORKERS						
4.	Permanent (F)	515	514	99.8%	1	0.2%
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	515	514	99.8%	1	0.2%

b. Differently abled Employees and Workers

Company is an equal opportunity employer and is committed to employ talent based on meritocracy and does not discriminate on the grounds of race, caste, sexual orientation, disability, etc,. amongst existing or potential employees. In pursuance of its commitment to be an equal opportunity employer, in the current financial year the Company has employed 5 differently abled employees.

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0.00%
2.	Other than Permanent (E)	3	3	100%	0	0.00%
3.	Total differently abled employees (D + E)	5	5	100%	0	0.00%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than permanent (G)	0	0	0.00%	0	0.00%
6.	Total differently abled workers (F + G)	0	0	0.00%	0	0.00%

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	3*	1	33.33

* One male KMP was in role from April 1, 2022, to June 1, 2022, and one female KMP was in role from June 1, 2022, to November 15, 2022.

20. Turnover rate for permanent employees and workers:

During the financial year 2022-23, the overall attrition rate, which includes voluntary separation, termination and abandonment and retirement from services across employees was 15.62% and for workers, it stood at 7.60%.

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15%	0.7%	15.62%	11.15%	0.4%	11.55%	5%	0%	5%
Permanent Workers	7.60%	0%	7.60%	5.14%	0%	5.14%	2%	0%	2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / Associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Saraswati Sugar Mills Limited	Subsidiary	100	Yes
2	Isgec Covema Limited	Subsidiary	100	No
3	Isgec Exports Limited	Subsidiary	100	No
4	Isgec Engineering & Projects Limited	Subsidiary	100	No
5	Freelook Software Private Limited	Subsidiary	100	No
6	Eagle Press & Equipment Co. Limited	Subsidiary	100	No
7	Isgec Investment PTE Ltd., Singapore	Subsidiary	100	No
8	Isgec Hitachi Zosen Limited	Subsidiary and Joint Venture Company	51	Yes
9	Isgec SFW Boilers Private Limited	Subsidiary and Joint Venture Company	51	No
10	Isgec Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company	51	Yes
11	Isgec Redecam Enviro Solutions Private Limited	Subsidiary and Joint Venture Company	51	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

(ii) Turnover (in ₹) - INR 4,65,192 Lakhs

(iii) Net worth (in ₹) - INR 1,94,571 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23		FY 2021-22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes, the Company has structured process in place for redressing the grievances of the community members around the area of its operations. Isgec has designated people to attend and address the queries of community members. Further, it also engages with them through various CSR projects.	No complaints were received from communities in both financial years.			
Investors (other than shareholders)	Yes, the Company has structured process in place for investors to raise their concerns or query. They may send an email to the CFO providing details of their grievances which is promptly addressed by the concerned officer.	0	0	0	0

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23		FY 2021-22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Shareholders	Yes, shareholder may send an email to the Company Secretary along with their concerns which are promptly addressed.	4	0	1	0
Employees and workers	Yes, Company has a dedicated and structured process in place to effectively deal with the grievances and concerns of the employees and workers. In case of any concern, they may first reach out to the business head with the concern. If it is not resolved in a timely manner, or the complainant is not satisfied with the response, they may reach out to the Human Resource head.	0	0	0	0
Customers	Both customers and suppliers may send out their complaints to the respective business heads. The business heads take immediate action to redress the issues of the complainant. If unresolved, they may reach out to the Whole-time directors.	0	0	0	0
Value Chain Partners		0	0	0	0
Other (please specify)	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Corporate Governance and Code of Conduct	Opportunity	• Isgec is a global company with its products and services catering to the demand both nationally and internationally. • As a philosophy, Isgec believes in being a good corporate citizen and follows best Corporate Governance Practices • Failure to adhere to corporate governance standards may result into non-compliances with the regulatory/ statutory requirements.		Losses, fines and penalties as a result of non-compliance, besides reputational damage.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Health and Safety	Risk and Opportunity	• Isgec has large manpower, both in its Manufacturing Units and in its Project business at project sites as well as its engineering & procurement offices. • Adopting best practices to ensure health and safety of its employees and workers is very important.	Company has proper systems in place to ensure the safety of the workforce at its workplace. For instance, it is ISO 45001 certified and conducts periodic internal and external audits to assess the efficacy of health management in place. The Company has dedicated officers at plant & project sites. Further, it does health and safety risk analysis at sites and projects and takes necessary actions to avoid any negative events.	Ensuring the safety of the workforce of the Company would instill greater trust among the people in the Company which would be reflected in better financial performance.
3	Emission Reduction & Emission Management	Risk and Opportunity	• Company is reliant on non-renewable energy sources to meet its energy requirements, both in regular operations at offices, manufacturing plants and at the Project sites. • Energy transition from non-renewable energy to renewable and energy efficiency measures would help in reducing the Company's greenhouse gas emissions.	Over the years, Company has incorporated several energy efficient initiatives into its operations. Further, it has been transitioning to cleaner energy by installing solar power plants and shifting to RLNG by cutting down diesel requirements to meet its energy requirements.	Adopting new technologies might lead increased cost/ investments in the short term. However, in the long-term adopting energy efficient measures and adopting new technologies would result in cost-saving.
4.	Supply Chain Management	Opportunity	• Company has a robust supply chain management system with a mix of suppliers including both big and small companies. Company conducts comprehensive supplier/ vendor assessment before onboarding any suppliers to ascertain that there is no risk involved with the potential supplier specifically, financial and legal compliances, good health and safety measures.		Availability of systematized supplier onboarding and assessment process would prevent non-compliances and thus will have positive financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Data Security and Privacy	Risk	• Data security and privacy breach may lead to the loss of highly critical and confidential information important to the business which may eventually lead to financial loss and even statutory non-compliances.	Company has been strengthening its data security and privacy. **Mitigation measure:** Strengthening cyber security by putting in necessary hardware and software resources. Mitigation measures are explained in PRINCIPLE 9.	It may have negative financial impact.
6	Human Rights, Diversity and Inclusion	Risk and Opportunity	• Human rights violations can pose regulatory and reputational risks. • Upholding human rights enable the Company to create shared good values and maintain a positive image and overall identity.	By implementing human rights due diligence processes, engaging with suppliers and other stakeholders on human rights issues, and promoting human rights awareness and training among employees.	Financial repercussions such as fines and penalties for non-compliance. Short term operational costs for human rights trainings.
7	Waste Management	Risk and Opportunity	• The Company has been working towards decreasing the amount of waste getting generated from the operations. Furthermore, the Company has been taking initiatives to reuse some of the scrap in its own operations. Through the ETP cum STP plant, the Company tries to manage the liquid waste effectively.	Company has identified waste as one of the material issues and therefore, it has devised an effective waste management roadmap which helps Company adopt appropriate disposal practice for the respective category of waste so that recycling or reuse rate may be increased.	Initially, certain cost may be incurred while implementing the waste management practices.
8	Water Management	Opportunity	• The Company understands that water is a critical natural resource and should be used judiciously. Isgec has been taking all the necessary measures to reduce the overall water consumption in its operations. Several initiatives have been taken to reduce the water withdrawal and implementing water recyclability measures.		Since Company is already undertaking several initiatives to promote water conservation activities, it will have the positive financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Human Capital Development	Opportunity	• Employees and Workers of the Company are one of the most important assets of the Company. Therefore, focusing on the well-being, health and safety and skill upgradation of the employee is primordial for the Company.		Technical skill Development and Behavioral training to improve employee capabilities and commitment to organization leading to better financial results.
10	Economic Performance and Market Share	Risk & Opportunity	• Isgec has developed a portfolio of several heavy capital goods machinery & equipment, and extensive capabilities for engineering procurement & construction of projects for a variety of industries. • In many of its product lines, it is either Number-1 or Number-2 in the Indian market. • Isgec also has technical tie-ups with very good companies in specialized field such as Air Pollution Control, Process Plant Equipment, Boilers and Presses to be able to offer best technical solutions and products to customers in India and abroad.	Company continues to build stronger relationships with all its stakeholders, and works on improving quality, technology & competitiveness of its products.	It will help in increasing the product footprint and thus will have positive financial implications.
11	Customer Relationship Management	Opportunity	• Isgec is a global business and caters to the demand of both national and global business. Maintenance of good relationship with the Customers is the by-product of providing better/ satisfactory customer services and addressing their grievances in a timely manner.		Company has a dedicated system in place already, thus no extra cost will be incurred. Maintaining customers trust by ensuring enhanced experience would result into positive financial impact.
12	Biodiversity Management and Land Use	Opportunity	• Company does not operate in any protected/ restricted areas. Thus, operation of the Company has negligible impact on biodiversity and vice-versa.		No cost will be incurred.
13	Corporate Citizenship and Charity	Opportunity	• Company continually engages with the community by undertaking tailored CSR activities to create a positive impact on them. These activities help in fostering good relationships and promoting environmental and social well-being of the concerned stakeholders.		No extra cost will be incurred.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Isgec is governed by a set of policies which enables the effective governance of the Company. The core theme of the policies primarily covers the 9 principles outlined in NGRBC (P1 to P9). The Company specifically ensures that all its processes are in compliance with the applicable regulatory and statutory requirements. It periodically reviews its policies to ensure that its systems and procedures are in line with the evolving regulations pertaining to Environment, Social and Governance regulations.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available**	https://www.isgec.com/aboutus-policies-investor.php								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Anti-Bribery and Anti-Corruption policy of the Company is applicable to its suppliers and other third-party contractors. Other than this, no other policy has its scope extended beyond the employees of the Company.								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
P1	Quality Management System (9001:2015)								
P2	Environmental Management System (14001:2015)								
P3	Occupational Health and Safety Management System (45001:2018)								
P4	Isgec does not have any codes/ certifications/ labels/ standards in line with principle 4 of the NGRBCs. However, Company engages with the community members through community development program carried out specifically around the area of its operations.								
P5	Occupational Health and Safety Management System (45001:2018)								
P6	Environmental Management System (14001:2015) ISO 9001 and ISO 45001								
P7	Isgec does not have any codes/ certifications/ labels/ standards in line with principle 7 of the NGRBCs.								
P8	Isgec does not have any codes/ certifications/ labels/ standards in line with principle 8 of the NGRBCs. However, the Company has a comprehensive CSR Policy which outlines the CSR vision as well as the program of the Company.								
P9	Isgec has multiple certifications/ accreditations/ labels in line with Principle 9 of the NGRBCs. They are ASME U-2, U, S, 'R' Stamp of National Board with 'NB' certification, 'CE' Marking for supply to European Union, IBR Approval, Class 1 fabricator of Fusion welded pressure from Lloyd's Register of Shipping, approval for Liquefiable Gas Containers and license from China safety and quality. These are globally recognized certifications which authenticates quality of Company's products and in turn instills trust and satisfaction among the Company's customers.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Additional remark									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Isgec has been implementing multiple initiatives on Environment, Social and Governance parameters. Through dedicated efforts, over the years, the Company has reduced its carbon footprint, and reduced its consumption of resources. The Company with its strong corporate governance has taken multiple steps for the benefits of their employees. However, the Company has formally initiated the ESG journey from FY 23 and is in the process of drafting specific targets that can be achieved in coming years.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company stands committed to take forward the initiatives that are being implemented and will strive towards achieving the targets that will be drafted after due consultation.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) – Isgec as a responsible corporate citizen, firmly believes in conducting its business operations responsibly and sustainably. Company has been continually taking initiatives to imbibe Environmental, Social, and Governance (ESG) related principles across its operations and value chain. The Company conducted materiality assessment by following an inclusive approach to incorporate the views and perspectives of its key stakeholders. We believe incorporating stakeholder's perspective is essential for a business to thrive and provides a fresh outlook to the overall strategic process. Basis the assessment, Company has shortlisted topics that are material to the Company. Company stands committed to ensure the Health and Safety of all its employees and workers. Multiple initiatives have been undertaken across the business operations (Project and Manufacturing service lines) to develop a robust health and safety management system and is working towards developing a "Zero Accident Culture" across the operations. Company will continue to work towards minimizing its carbon footprint while continuing to create value for all its stakeholders.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies.	At the highest level, the Board of Directors, KMPs, CSR committee has the primary role to promote and assess the business responsibility performance of the Company.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	There is no specified committee of the Board. The implementation of policies is reviewed by the Management and also by the Internal Audit Department.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
Performance against above policies and follow up action and frequency of review for performance against above policies and follow up action	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	The Company has implemented and following all policies formulated in compliance with all applicable laws. These policies are reviewed by the Managing Directors/Whole-time Directors as and when necessary or whenever there is any amendment in any applicable law.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances and frequency of review.	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee.								
	The Company complies with all statutory requirements and are reviewed by the Directors/ Committee(s) periodically apart from review by KMPs and Internal Audit teams.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	Y	Y	Y	Y	Y	Y	Y	Y

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not applicable.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	No, all NGRBC principles are covered under the different policies formulated by the Company.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

The Company believes in conducting its business with integrity and in an ethical manner.

The Company has a Code of Conduct which has been formulated in alignment with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) 2015, and is applicable to the Board of Directors and Senior Management Personnel of the Company. The Code briefly talks about the expected behaviour from the Board and Directors and their duties to ensure the better governance of the Company. It specifically states that the actions of the Directors and Senior Management employees shall be in compliance with the applicable laws and regulations. Further, any incident of Conflict of interest is completely prohibited by the Company and the Director and Senior Management are expected to keep the interest of the Company ahead of the personal interest.

The Company has a Vigil Mechanism/ Whistle blower Policy which allows Directors, Stakeholders, Individual Employees and their representative bodies to report and communicate their genuine concerns, illegal or unethical practices. They may also communicate any instances of leak of unpublished price sensitive information. Audit Committee has the authority to oversee the implementation of the Policy.

For a comprehensive disclosure on this principle, please refer to the responses provided for the questions below.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

The Company regularly conducts various training programs for all of its employees at various levels. The detailed information on the number and type of trainings imparted is provided below in the standard format-

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	0	0	0
Key Managerial Personnel	0	0	0

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Employees other than BoD and KMPs	358	• Health and Safety Trainings • Awareness on POSH and human rights • Soft skill trainings- workplace communication, email etiquette, personal leadership and excellence and higher performance etc. • Cybersecurity Training • Technical Training **Impact** Training on these topics has been helping the Isgec employees to perform their duties effectively and efficiently. Further, skill-based trainings help the employees in career trajectory and development.	85%
Workers	236	• Technical training at plants/factories • Health and Safety trainings **Impact** Training on these topics has been helping the workers to perform their duties safely, effectively, and efficiently. Further, skill-based trainings help the workers in career growth and development.	80%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015, and as disclosed on the entity's website):

No monetary fines and penalties have been paid by Isgec.

Monetary

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	None	-	-	-	-
Settlement	None	-	-	-	-
Settlement	None	-	-	-	-
Compounding fee	None	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	Not Applicable	Not Applicable	Not Applicable
Punishment	None	Not Applicable	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Isgec has an anti-corruption or anti-bribery policy. This policy aims to ensure that all business dealings are conducted in compliance with applicable laws and following high standards of professionalism, fairness and with integrity.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

No disciplinary action was taken regarding corruption and bribery against the Directors, KMP and employees at Isgec.

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints about conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of conflict of interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no complaints against the Board of Directors, KMPs, senior management employees and other employees of the Company, no corrective actions were needed to be taken on cases of corruption and conflict of interest.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

The Company engages with leading large, organized suppliers for procurement of raw material and bought-out equipment. It also engages with MSME suppliers and construction & erection contractors. The company's process of selection of vendors ensures that we deal only with those Companies which follow good quality health and safety practices and comply with all laws.

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
NIL	NIL	NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Company has a Code of Conduct applicable to the Board of Directors and senior management employees of the Company. The Code of Conduct includes provision on conflict of interest. The code clearly defines the criteria of conflict of interest and mandates its Directors and senior management to disclose any outside business interest that may result into the conflict with the personal and Company's interest.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Isgec's products are all designed and made to order. Isgec incorporates the best features in its products to ensure that they are high quality, safe, easy to operate, easy to repair & maintain, energy efficient and have durable life.

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

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	Nil	Nil	Nil

Note: The Company continuously works on improving designs and technology of its products and value engineering to make its products competitive and value for money. It also has strategic tie-ups and technical collaboration with some of the leading foreign manufacturers for specific products for the Indian market.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

The Company is in the process of developing procedures for sustainable sourcing as part of its purchases.

b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Isgec's primary customers are some of the leading companies in the industry. Isgec supplies heavy machinery for these companies and sells both nationally and internationally. The products manufactured by the Company have a longer lifecycle ranging even up to 25-30 years.

Also, the product manufactured by the Company does not include packaging material in large quantity and thus there is no need for specific process in place to reclaim Plastics (including packaging). Similarly, Company does not manufacture and sell any product which falls under the electronics and hazardous category. Thus, the provision of having a process in place to reclaim e-waste and hazardous waste also does not apply to it.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) provisions of the Environment Protection Act 1986, read with different rules made thereunder, is not applicable to the Company.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.**

No, the Company supplies capital goods machinery and plants which are designed for lasting for long periods of time.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Nil	Nil	Nil	Nil	Nil	Nil

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable	Not applicable	Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Iron	8.4%	7.4%

Note: this percentage is related to manufacturing business only

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.

Since Company manufactures heavy engineering equipment with very long life (25 to 30 years), there is no need for reclaiming products or packaging.

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent employees											
Male	2304	1880	82%	2304	100%	NA	NA	Nil	Nil	Nil	Nil
Female	50	48	96%	50	100%	50	100%	NA	NA	Nil	Nil
Total	2354	1928	82%	2354	100%	50	2.12%	Nil	Nil	Nil	Nil
Other than Permanent employees											
Male	371	366	97%	371	100%	NA	NA	Nil	Nil	Nil	Nil
Female	10	8	80%	10	100%	10	100%	NA	NA	Nil	Nil
Total	381	374	98%	381	100%	10	2.62%	Nil	Nil	Nil	Nil

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	514	391	76%	514	100%	0	0%	Nil	Nil	Nil	Nil
Female	1	1	100%	1	100%	1	100%	NA	NA	Nil	Nil
Total	515	392	76%	515	100%	1	0.19%	Nil	Nil	Nil	Nil
Other than Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	Nil	Nil
Female	0	0	0%	0	0%	0	0%	0	0%	Nil	Nil
Total	0	0	0%	0	0%	0	0%	0	0%	Nil	Nil

2. Details of retirement benefits.

Company provides good retirement benefits to its employees and workers so that their life can be secured in the later part of their life. Under ESI category, 95% of its employees are covered whereas remaining 5% are covered under Employment Compensation Policy, premium for which is borne by the Company.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0.13%	18.38%	Y	0.27%	5.79%	Y
Leave encashment	100%	100%	-	100%	100%	-
Superannuation	0.98%	-	Y	1.29%	-	Y
NPS	6.63%	-	Y	7.23%	-	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices and premises of the Company have been designed keeping inclusivity in consideration. Company does not discriminate among people on the disability ground, which is reflected through the presence of people with disability in the workforce. The premises are accessible to everyone irrespective of the physical ability. Anyone can access the premises through the ramp in the offices.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Company has Human Resource policy which is applicable to all its existing and potential employees. One of the provisions of the policy mentions that Isgec does not promote and practice discrimination and treats all its employees equally, regardless of race, religion, color, sex, age, social status, etc. of an individual. (Any discrimination during hiring process is also prohibited).

5. Return to work and retention rates of permanent employees and workers that took parental leave.

One woman has availed the maternity benefits during the financial year 2022-23 and has returned to the work during the financial year 2022-23.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable			
Female	100%	100%	NA (None in this category has availed the benefits)	
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Redressal of grievances in a timely manner is one of the methods to build trust between employees/workers and the Company.

The employees and workers at the offices and plants may reach out to their business head with their grievances.

Team leader shall take appropriate action to redress it and in case the complainant is not satisfied with the response/ action, they may take the matter to the Human Resource Head.

	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, as mentioned above.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in Association(s) or Unions recognized by the listed entity.

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of Association(s) or Union (D)	% (D/C)
Total Permanent Employees	2354	0	0%	2256	0	0%
- Male	2304	0	0%	2204	0	0%
- Female	50	0	0%	52	0	0%
Total Permanent Workers	515	513	99.6%	570	568	99.6%
- Male	514	512	99.9%	569	567	99.6%
- Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2304	2304	100	276	11.9%	2204	2204	100	236	10.7%
Female	50	50	100	7	14%	52	52	100	6	11.5%
Total	**2354**	**2354**	**100**	**283**	**12.02%**	**2256**	**2256**	**100**	**242**	**10.7%**
Workers										
Male	514	514	100	61	11.8%	569	569	100	56	9.8%
Female	1	1	100	0	0	1	1	100	0	0
Total	**515**	**515**	**100**	**61**	**11.8%**	**570**	**570**	**100**	**56**	**9.8%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2304	2189	95%	2204	2093	95%
Female	50	47	95%	52	49	95%
Total	**2354**	**2236**	**95%**	**2256**	**2142**	**95%**
Workers						
Male	514	488	95%	569	540	95%
Female	1	1	100%	1	1	100%
Total	**515**	**489**	**95%**	**570**	**541**	**95%**

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, Company has an established health and safety management system for all its locations and plants. The management system is aligned and certified with ISO 45001:2018.

A periodic third-party assessment is done to assess its robustness and efficacy. During the assessment process, feedback from workers, employees and supervisors is taken and is incorporated in the corrective action plan formulated for ensuring robustness of the management system. The independent/third-party assessment is undertaken by DNV GL Business Assurance for the manufacturing business and for Project business it is done by Lloyds Register of Quality Assurance.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Company has an EHS risk management which includes a set of processes to identify, assess and mitigate the work-related hazards / risks.

During the assessment process, active participation from the workforce is encouraged, so that their feedback can also be incorporated in the health and safety management system.

Further, workforce participation also instills the sense of trust among them about their workplace. It follows a comprehensive Hazard Identification and Risk Assessment process to classify the occurrence of risk basis the probability, frequency, severity etc.

Further, a dedicated emergency preparedness/prevention plan is available at all the plants and office locations to keep prepared in case of any exigency/emergency situation. The emergency preparedness plans include set of practices to be followed such as periodic mock drills are conducted, work permit system is followed at the plants to ensure that no hot work is done at the hazardous areas without getting the authorization in the form work permit, workers are mandated to wear personal protective equipment/safety gear while handling hazardous chemicals etc., e.g., liquid Argon.

Company conducts regular site inspections to ensure all safety procedures are being followed. Subsequently, it encourages the employees and workers to report any unsafe conditions or unsafe acts or near-miss incidents promptly to the health and safety team to ensure corrective actions are taken in timely manner.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, all workers are permitted to work only after they are given safety briefing on the activities to be performed.

Company has a structured process in place for workers to report on the work-related hazards. All the facilities and plants are categorized into two zones- high risk and low risk. On the basis of the categorization, effective measures are undertaken. For example, at high-risk zone one safety officer is deputed for every 50 people whereas in the low-risk zone the number goes up to 200 persons. Workers may report on the issues to internal supervisors initially.

Further, there is a hierarchy of personnel responsible for addressing any health and safety related issues that may arise. For example, the first point of contact is internal supervisor who is followed by Site Incharge, Resident Construction Manager, Safety Manager, Safety Officer and Site Manager.

The emergency contact number is put up on display along with the numbers of persons mentioned above, responsible for prevention and management health related risks. Most of our plants and sites have Ambulances on standby.

d. **Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

In order to ensure better health and safety of its employees, Company has tied-up with some recognized hospitals such as Apollo, HCL Healthcare, Multi-Specialty Clinic etc. Under this, health check-up packages are provided to its employees at a discounted rate. Furthermore, at the Yamunanagar plant Company has a Dispensary and Health centers in which healthcare services are provided to the employees/workers and their family members. Periodically, the company also arranges certain free medical checkup for employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.15	0.23
Total recordable work-related injuries	Employees	0	0
	Workers	14	18
No. of fatalities	Employees	1	0
	Workers	3	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Safety of the employees and workers is of utmost priority to the Company. Company's safety team conducts safety trainings and inspections to ensure all workers follow safety guidelines. It periodically tracks health and safety performance of all the plants. Safety officers are placed at each project site. All incidents found are thoroughly investigated with a root cause analysis followed by corrective actions.

13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	98	6		47	0	
Health & Safety	6	0		3	0	

14. Assessments for the year

All the plants and office locations of the Company are compliant with ISO 45001:2018 which is an internationally recognized and robust occupational health and safety management system. To ensure the efficacy and robustness of its management system, it undergoes periodic independent assessment process/audit. For instance, health and safety management system at Yamunanagar plant is audited by external auditor M/S DNV GL Business Assurance.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	90%*
Working Conditions	90%*

* Only manufacturing business has been considered here to report this number.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

During the assessments, working at heights and material handling process were found to be the areas of concern. Therefore, dedicated actions were undertaken by the Company to mitigate the risks. Some of the initiatives taken to mitigate height related risks are usage of scaffoldings, aerial lift/scissor lifts, fixed lifeline anchored during roof top work, full body double lanyard harness and compliance with Height work permit system.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The company does not have life insurance scheme. The company does provide some assistance to employee's family, on case to case basis in case of death during service.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Isgec engages with suppliers which are GST registered companies and periodically reviews on the portal if GST dues have been paid to the authority on time. In case of any discrepancy found, supplier payment is held back by the Company until the compliance is ensured.

3. Provide the number of employees / workers having suffered high consequence work related injury/ ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	1	0	0	0
Workers	3	1	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

At the project sites, safety engineers are deputed to assess if contractor's workers follow the safety norms and are using the safety gear and personal protective equipment to avoid being affected from health and safety related risks and hazards.

All suppliers are evaluated before onboarding to ensure they follow good health and safety practices in their plants.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	85%
Working conditions	85%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Nil

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

The Company identifies and periodically engages with its internal and external stakeholders across the value chain to understand their needs and requirements. It acknowledges that regular interaction with the stakeholders is important for business growth as well as for the stakeholder's value creation.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Isgec acknowledges the importance of all stakeholders in driving the sustainable growth of the Company. Company recognizes those people and institutions as its stakeholders which have significant influence over the Company's business and also get affected by it. Therefore, it has identified shareholders, banks, stock exchange of India, directors, employees, customers, and suppliers as its main internal and external stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders/ Bankers	No	Annual General Meeting, Quarterly Investor Calls, Investor presentation on website.	Quarterly	To update about Company's business position
Employees	No	Periodic emails, intranet, social media groups, In house magazine "Isgec Alive"	On a regular basis	Employees are one of the major drivers for the success of the Company. Company believes that regular interaction with employees boosts their morale and motivates them. The interaction helps in increasing retention of talent.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Directors	No	Email, telecalls, Board Meetings.	On a regular basis	To keep them informed/updated on Company's activities.
Customers, Suppliers and Service Providers	No	Email, telecalls, Customer Meets, Supplier Meets, participation in Trade Shows and Exhibitions, Social Media Posts.	On a regular basis	The Company engages with its customers with the objective to build trust amongst its customers and incorporate their perspective and demand in the product and service portfolio. The Company also wants to inform customers about its product offerings. The Company has dedicated Vendor Development Department and Quality Teams which work to improve capabilities of vendors and contractors.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
   Feedback is provided by Managing Director and Whole-time Directors to the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
   No

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**
   Nil

Principle 5: Businesses should respect and promote human rights

Company gives utmost importance to protecting the human rights of its employees and workers alike. This belief is reflected through different policies of the Company like HR (Human Resource) policy which clearly states that no individual shall be discriminated by the Company and peers. In pursuant of this, Company is committed to remain an equal opportunity employer. Also, it explicitly mentions the management's commitment to protect its employees against any act of harassment like bullying, intimidation, degradation, sexual harassment etc. It also has a standalone Prevention of Sexual Harassment at workplace (POSH) policy to establish a separate and structured process to deal with sexual harassment cases. Other cases of human rights violations, as mentioned above, are dealt with the management through appropriate complaint handling process.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2354	849	36%	2256	674	29.8%
Other than permanent	381	107	28%	407	87	21.3%
Total employees	2735	956	35%	2663	761	28.5%
Workers						
Permanent	515	84	16%	570	78	14%
Other than permanent	0	0	0	0	0	0
Total workers	515	84	16%	570	78	14%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2354	0	0%	2354	100%	2256	0	0%	2256	100%
Male	2304	0	0%	2304	100%	2204	0	0%	2204	100%
Female	50	0	0%	50	100%	52	0	0%	52	100%
Other than Permanent	**381**	**0**	**0%**	**381**	**100%**	**407**	**0**	**0%**	**407**	**100%**
Male	371	0	0%	371	100%	398	0	0%	398	100%
Female	10	0	0%	10	100%	9	0	0%	9	100%
Workers										
Permanent	515	0	0%	515	100%	570	0	0%	570	100%
Male	514	0	0%	514	100%	569	0	0%	569	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Other than permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	7	495000	1	331000
Key Managerial Personnel (KMP)*	2	2281000	1	1783000
Employees other than BOD and KMP	2304	868000	50	782000
Workers	514	460000	1	460000

* One male KMP was in role from April 1, 2022, to June 1, 2022, and One female KMP was in role from June 1, 2022, to November 15, 2022.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Company's Head-Corporate HR (for EPC offices & sites) and Vice President (HR & Admin) for Plants is responsible for dealing with Human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

As described above.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	No complaints have been received by the Company across the category of cases in FY 2022-23	NIL	NIL	No complaints have been received by the Company across the category of cases in FY 2021-22
Discrimination at workplace						
Child Labor						
Forced Labor/ Involuntary Labor						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Under the Vigil Mechanism/ Whistle Blower policy, protection is provided to complainants as under:

- No victimization including (discrimination, harassment and unfair treatment) will be meted out to any Director, Stakeholder, Individual Employee and their Representative Bodies, who avail the mechanism provided under the Vigil Mechanism/ Whistle Blower Policy.
- Identity of the persons reporting the concern shall be kept confidential to the extent possible and permitted under law. The employees or other persons are cautioned that their identity may have to be disclosed under any law or during the investigation.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, our vendor assessment process ensures that vendors do not allow child labour, forced labour and follow laws for minimum wages.

9. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	None
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. **Details of a business process being modified / introduced because of addressing human rights grievances/complaints.**
   Not applicable

2. **Details of the scope and coverage of any Human rights due diligence conducted.**
   Not applicable

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
   Yes, Company is working continually to make its office premises accessible to all including differently abled people. The offices of the Company have ramps and lifts so that differently abled visitors can easily access the office premises.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Nil
Discrimination at workplace	Nil
Child labor	Nil
Forced/involuntary labor	Nil
Wages	Nil
Others – please specify	Nil

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**
   Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Isgec is committed to reduce its impact on the environment and promote conservation and restoration of environment. Company understands the importance of curbing climate change and causing minimal negative impact to the environmental factors. It believes presence of clean and healthy environment is essential. Its facilities are certified with ISO 14001, Environment Management System (EMS).

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (TJ)**

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	TJ	168.52	158.85
Total fuel consumption (B) (Self generation)	TJ	0	0
Energy consumption through other sources (C)	TJ	166.28	131.00
Total energy consumption (A+B+C)	TJ	334.70*	289.85*
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	(Joules/Rupee)	7193.34	6229.43
Energy intensity (optional) – the relevant metric may be selected by the entity			

*Note: Above energy consumption data is for manufacturing plants and offices. It does not cover project sites.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**
   No, the Company's facilities do not fall under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilo liters)		
(i) Surface water: Water supply	NA	NA
(ii) Groundwater	164658	230502
(iii) Third party water (Municipal water supplies)	8000	8100
(iv) Seawater / desalinated water	NA	NA
(v) Others (Recycled)	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	172658	238602
Total volume of water consumption (in kilolitres)	172658	238602
Water intensity per rupee of turnover (Water consumed / turnover)	0.0037 (Ltr/Rupee)	0.0051 (Ltr/Rupee)
Water intensity (optional) – (Water consumption/Ton of production. KL/TON)		

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Company acknowledges the importance of water conservation, and thus has been undertaking initiatives to use water efficiently while reducing the overall consumption. For instance, significant amount of water is consumed during hydrotesting water process. The water used in the process is recycled and used again for other processes to bring down the overall consumption level. In additional to this, it also keeps check on any water leakage incidents and fix it immediately to reduce the water loss. However, it does not have the mechanism in place for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx*	mg/Nm3	71^	76^
SOx*	mg/Nm3	28	24
Particulate Matter (PM)*	mg/Nm3	128	124
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile organic Compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others- please specify	NA	NA	NA

* The values reported here are the maximum values recorded at any point of time in the assessment period.

^ For the HSD fuel used in DG sets only, the maximum value was 203.57 ppmV and 187.76 ppmV for FY 23 and FY 22 respectively.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	10727.18	8083.26
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	30770.17	29016.62
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent	41497.35	37099.88
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Emission/Ton of Production: MT/TON		

Note: Greenhouse gases emissions for the current financial year is higher in view of higher production & manufacturing turnover in Financial year 2022-23

7. Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details.

Yes, Company has been reducing the Greenhouse gas emissions by undertaking energy efficiency measures and use of alternative energy. With the below listed initiatives company avoided 137,022 TCo2e.

- Replacing lower rating air conditioners with five star/inverter type air conditioners (total 156 numbers of such air conditioners have been replaced since last six (6) years).
- Continually replacing high power consuming equipment's with energy efficient units.
- Installed solar power plants in Yamunanagar and Rattangarh units with the cumulative installed capacity of 1750 KwH.
- Using RLNG fuel for operating stress-relieving furnaces and pre-heating of welding material processes.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.25	-
E-waste (B)	0.3	0.25
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	1.25	0.8
Battery Waste (E)	3.49	1.92
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	14.89	14.64
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	**20.18**	**17.61**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.3	0.25
(ii) Re-used	-	-
(iii) Other recovery operations	18.38	16.56
Total	**18.68**	**16.81**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Company follows the 3-R principle (Reduce, Reuse and Recycle) to reduce overall waste generation. In addition to this, Company avoids the use of plastics wherever possible. For example, as much as possible, it avoids the use of plastic bottles during the meetings or other official gathering. Also, in the offices, significant number of electronic devices are used. Thus, after the end-of-the-life of the product, it is sold to the authorized recycler to ensure appropriate e-waste management.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

During the reporting period, none of the projects required Environment Impact Assessment to be undertaken in compliance with EIA notification 2006.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N)? If not, provide details of all such non-compliances, in the following format:**

The company is in compliance with all environment related applicable legislations.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not applicable				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	12.40 TJ	11.72 TJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	12.40 TJ	11.72 TJ
From non-renewable sources		
Total electricity consumption (D)	156.02	147.13
Total fuel consumption (E)	166.28	131.00
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	322.30 TJ	278.13 TJ

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

Isgec is a member of eleven (11) trade and industry chambers/associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
3	Confederation of Indian Industry (CII)	National
4	PHD Chamber of Commerce & Industry	National
5	Sugar Technologist's Association of India (STAI)	National
6	Indian Industries Association (IIA)	National
7	The Institute of Indian Foundrymen (Northern Region)	Regional
8	Machine Tool Manufacturers Association	National
9	International Society of Sugarcane Technologists	International
10	Yamuna Nagar-Jagadhri Chamber of Commerce & Industries	Regional

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable as Isgec does not have any adverse order against it.

Name of authority	Brief of the case	Corrective action taken
-	-	-

Leadership Indicators

4. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	Nil	Nil	Nil	Nil	Nil

Principle 8: Businesses should promote inclusive growth and equitable development

Isgec is committed to promote wellbeing of weaker/marginalized/vulnerable section of the society. It follows a CSR Policy and undertakes multi-year projects and one-time projects, in the areas around its plants. Some of the areas on which Isgec has done CSR activities include rainwater harvesting system, providing solar energy system in Government Schools, training, and skills development for a large number of Apprentices with paid stipends at its factories, establishments of CNC Centre of Excellence at ITI's, and contribution to educational societies.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
In the Financial Year 2022-23, Company has not undertaken any projects that required Social Impact Assessment (SIA) as per the applicable law. Thus, this provision is not applicable.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the 2022-23 (In INR)
Not applicable, no project/activity undertaken by the Company caused displacement of the population and thus R&R was not required.						

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	39%	35%
Sourced directly from within the district and neighboring districts	15.6%	12.08%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Since we do not need Social Impact Assessment of our projects, no mitigation measures are adopted for assessing the negative impacts of the same.

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

None of the projects undertaken by the Company falls into the aspirational districts category. All projects undertaken by the Company are located in two regions, Yamunanagar and Delhi.

S. No.	State	Aspirational District	Amount spent (In INR)
Nil	Nil	Nil	Nil

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Company prefers vendors/contractors situated in close vicinity for the procurement of products and services for its manufacturing and project business respectively. It also procures significantly from MSMEs, thus lending its support to small businesses. However, Company does not have any dedicated Preferential Procurement Policy in place.

(b) **From which marginalized /vulnerable groups do you procure?**

Not applicable.

(c) **What percentage of total procurement (by value) does it constitute?**

39% (procured from MSME).

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Note: Traditional knowledge refers to the knowledge about the practical nature which is undocumented and is in use. The knowledge is embedded in the cultural traditions of the local, ethnic or indigenous community.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable, since Company does not use any traditional knowledge.				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not applicable, since Isgec does not use traditional knowledge		

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Stipend paid to Apprentices selected for Training & Skill development	279	Not applicable
2.	Cleaning of existing RWH Systems constructed in previous years	Not applicable	Not applicable
3.	Donation to Haryana State CSR Trust for the project of Pond Rejuvenation	Not applicable	Not applicable
4	Created CNC ‘Centre of Excellence’ at ITI Yamunanagar	Not applicable	Not applicable
5	Contribution to Nai Disha Educational & Cultural Society	Not applicable	Not applicable
6	Providing Solar Power Systems in Govt. schools	Not applicable	Not applicable
7	Contribution to Indian Blinds Sports Association	Not applicable	Not applicable
8	Rainwater Harvesting Systems	Not applicable	Not applicable
9	Maintenance of existing Solar Power Systems	Not applicable	Not applicable

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Company gives significant importance to its customers. All its customers are companies and business entities and not individual consumers. It periodically engages with them to understand their needs and requirements and then incorporate the feedback in the overall decision-making process in the Company.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   In case of any issue/complaint, the customers may directly email the business head stating its concern. Further, as soon as the complaint is received by the business head, the Company promptly investigates the reason behind the concern and take appropriate measure to address the problem on time.

2. **Turnover of products and/ services as a percentage to turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable- Since the primary business activity of the Company is setting up Projects and manufacturing heavy engineering goods or capital goods, the lifecycle of its products is significantly high with a lifetime of 25 to 30 years. Therefore, this provision is not applicable to the Company.

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	None	None	No complaints have been received on data privacy	None	None	No complaints have been received on data privacy
Advertising	None	None	No complaints have been received on advertising	None	None	No complaints have been received on advertising
Cyber security	None	None	No complaints have been received on cyber security	None	None	No complaints have been received on cyber security
Delivery of essential services	None	None	Project business and manufacturing of capital goods do not qualify as essential services	None	None	Project business and manufacturing of capital goods do not qualify as essential services
Restrictive Trade Practices	None	None	No complaints received on restrictive trade practices	None	None	No complaints received on restrictive trade practices
Unfair Trade Practices	None	None	No complaints received on unfair trade practices	None	None	No complaints received on unfair trade practices
Other	None	None		None	None	

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	Not applicable
Forced recalls	NIL	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.

Company has a data security policy which is in line with ITGC and ensures data security and controlled access.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security and data privacy of consumers, re-occurrence of instances of product recalls, penalty / action taken by regulatory authorities on safety of products / services.

The company faced of a cyber-attack on its network in a part of its business on 7th June 2022 and found that data on its servers and computers were attacked and encrypted.

The Company's Internal IT Team along with external IT experts assessed the situation and took measures to recover the data, network and system.

Company has further strengthened its data privacy and security governance system.

- Company has installed firewall setup to ensure that all data traffic gets scanned and only that traffic which is allowed as per firewall policies reaches the targeted servers.
- Company has implemented software solutions in all desktops and laptops to detect and delete malicious programs. This software also blocks any unauthorized installation of application.
- Safety measures are also implemented for login authentication. Internet access is automatically disconnected in case of in-action for 30 minutes by user.
- As per the recommendation of security experts, server hardening is done for all the servers. This means we have blocked all the communication channel other than installed application on particular server.
- As a policy application like 'Any Desk' and 'Team Viewer' has been removed from all the machines. We have implemented two-factor authentication (2FA) solution for accessing server console

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Isgec uses multiple channels to circulate information regarding its product and services. They are as follows- Website address: https://www.isgec.com/, Linkedin Profile: https://www.linkedin.com/company/isgec-heavy-engineering-ltd/ , Magazine: Powerline, Facebook: https://www.facebook.com/isgec.engg/, Instagram: @isgec.engg

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Every product manufactured and dispatched by the Company contains an Instruction Manual called Operations and Maintenance Manuals (O&M). The manual outlines the important instructions on the safe use and handling of the product. In addition to this, we also conduct a customer training at the Head Office where personnels managing the Operation & Maintenance for the customers is trained on the use of products appropriately.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Isgec does not provide essential services. Therefore, not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable

5. Provide the following information relating to data breaches:

a. **Number of instances of data breaches along with impact.**

The company faced a cyber-attack on its network in its EPC business on 7th June 2022 and found that data on its servers and computers were attacked and encrypted.

The Company's Internal IT Team along with external IT experts assessed the situation and took measures to recover the data, network, and system. Gradually, all IT infrastructures were restored progressively over the next few weeks.

b. **Percentage of data breaches involving personally identifiable information of consumers.**

Not applicable

Annexure - 8

ANNUAL REPORT ON CSR ACTIVITIES

1 **Brief outline on CSR Policy of the Company :**

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

(i) Multi-year Ongoing Projects regarding Water Harvesting System and Solar Power System for ensuring environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water.

(ii) Programme for renovation of buildings of schools, providing desks, dharis, white boards, books and other educational material.

(iii) Imparting training for employment, enhancing vocational skills under Apprentices and National Employment Enhancement Mission Scheme.

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

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

(vi) Rural Development projects.

(vii) Disaster management, including relief, rehabilitation and reconstruction activities including COVID-19.

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

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

S.No.	Name of the Committee Member	Position	Numbers of CSR Committee meetings held	Numbers of CSR Committee meeting attended
1	Mr. Ranjit Puri (DIN: 00052459)	Chairman	2	2
2	Mr. Aditya Puri (DIN: 00052534)	Member	2	2
3	Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Member	2	1

3 Web-link where Composition of CSR committee, CSR policy and CSR projects approved by Board are disclosed on the website of the Company: https://www.isgec.com/pdf/CSR-Policy-12oct.pdf

4 Executive Summary of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Resposibility Policy) Rules, 2014, if applicable: **Not Applicable**

(₹ in Lakhs)

5	(a)	Average net profit of the Company as per sub -section (5) of section 135	21,757.73
	(b)	Two percentage of average Net Profit as per sub -section (5) of section 135	435.15
	(c)	Surplus arising out of CSR projects or programmes or activities of the previous financial years	160.93
	(d)	Amount required to be set off for the financial year	-
	(e)	Total CSR obligation for the financial year (b+c-d)	596.08

(₹ in Lakhs)

6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	414.80
	(b)	Amount spent in Administrative overheads	21.75
	(c)	Amount spent on Impact assessment, if applicable	NA
	(d)	Total amount spent for the financial year (a+b+c)	436.55

(e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for set off, if any

S. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average Net Profit of the Company as per sub section (5) of section 135	435.15
(ii)	Total amount spent for Financial Year	436.56
(iii)	Excess amount spent for Financial Year (ii-i)	1.41
(iv)	Surplus arising out of CSR projects or programmes or activities of previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years (iii-iv)	1.41

7 Details of Unspent CSR amount for the preceding three financial years

S.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in Lakhs)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
					Name of the fund	Amount (₹ in Lakhs)	Date of transfer	
1	2019-20	Nil	Nil	Nil	Nil	Nil	NA	Nil
2	2020-21	101.12	Nil	101.12	Nil	Nil	NA	Nil
3	2021-22	160.93	35.99	124.94	Nil	Nil	NA	35.99

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes

● No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration number, if applicable	Name	Registered address
Not applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9 Specify the reasons, if the company has failed to spend the two per cent of the average net profit as per section 135(5): **Not Applicable**

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman - CSR Committee)

Financial Statements

Independent Auditor's Report

To the Members of
Isgec Heavy Engineering Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Isgec Heavy Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit including other comprehensive income, its Statement of cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

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

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

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

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

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

(e) On the basis of written representations received from the Directors as on 31st March, 2023 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2023 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

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

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

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

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

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

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

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

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

e) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.

f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration for the year ended 31st March, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN: 23087010BGZFEL1951

Place: Noida
Dated: May 29, 2023

Annexure - A To The Independent Auditor's Report

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of Isgec Heavy Engineering Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2023)

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

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management during the year. All Property, plant and Equipment of the Company have not been physically verified by the management during the year but there is a regular phased programme of Physical Verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its Property, plant and Equipment. No material discrepancies were noticed on such verification.

(c) The title deed of all the immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statement are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has neither revalued its Property, Plant and Equipment (Including Right of Use Assets) nor intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given to us and on the basis of our audit procedures, we report that there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibitions) Act , 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that Physical Verification of Inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed during such verification conducted during the year.

(ii) (b) The Company has been sanctioned working capital limits in excess of Rs Five Crore, in aggregate, from banks during the year on the basis of security of current assets. Quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been sanctioned working capital limits from financial institutions.

(iii) (a) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has not made investments in, provided any security or granted any advances in the nature of loans to companies, firms, Limited Liability Partnership or any other parties during the year ended March 31, 2023. In respect of any guarantee provided and loan given during the year details are as below:

(Amount in lakhs)

	Guarantees	Loans
Aggregate amount granted /provided during the year:		
- Subsidiaries	14,077.18	1,458.22
- Joint ventures	Nil	Nil
- Associates	Nil	Nil
- Others	Nil	Nil
Balance outstanding at the balance sheet date in respect of above cases:		
- Subsidiaries	64,860.00	10,334.25
- Joint ventures	Nil	Nil
- Associates	Nil	Nil
- Others	Nil	Nil

(b) According to information and explanation given to us and based on audit procedures performed by us, we are of the opinion that guarantees provided and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest. According to information and explanation given to us, the Company has not made investments, provided security, advances in nature of loans to companies, firms, Limited Liability Partnership or any other parties.

(c) According to information and explanation given to us and on the basis of our audit procedures, we report that in respect of loans the schedule of repayment of principle and payment of interest has been stipulated and repayment or receipts of interest are not due during the year.

(d) According to information and explanation given to us and on the basis of our audit procedures, we report that no amount is overdue for more than ninety days in respect of principle and interest.

(e) According to information and explanation given to us and on the basis of our audit procedures, we report that no any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not made investments, given security which is covered under provisions of section 185 and 186 of the Companies Act, 2013. In respect of loan given and guarantee provided during the year, the same in our opinion is in compliance of section 185 and 186 of Companies Act, 2013.

(v) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits, within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.

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

(vii) (a) The Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues applicable to it to the appropriate authorities. The provisions related to sales-tax, service tax, duty of excise and value added tax are not applicable to Company.

According to the information and explanation given to us and based on audit procedures performed by us, no undisputed amount payable in respect of these statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

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

Name Of the Statute	Nature of Due	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Central Excise Act	Excise Duty	3.57	3.57	2011-12	Assistant commissioner, Yamunanagar
Central Excise Act	Excise Duty	0.37	0.37	2015-17	Superintendent (Yamunanagar)
Central Excise Act	Excise Duty	7.18	7.18	2017-18	Superintendent CGST Division
Local Area Tax	Local Area Tax	22.00	22.00	2006-07 to 2015-16	Hon'ble Supreme Court of India
Central Excise Act	Excise Duty	30.21	30.21	2015-16	Dy Excise & Taxation Commissioner (Yamunanagar)
Central Excise Act	Excise Duty	19.60	19.60	2016-17	Dy Excise & Taxation Commissioner (Yamunanagar)

Name Of the Statute	Nature of Due	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Goods and Services Tax Act	Goods and Services Tax	0.14	0.14	2017-18	Asstt. Commissioner, Yamunanagar
Goods and Services Tax Act	Goods and Services Tax	4.19	-	2022-23	Asstt. Commissioner, Ghaziabad
Goods and Services Tax Act	Goods and Services Tax	5.24	-	2020-21	Addl. Commissioner Appeal, commercial tax MP
Goods and Services Tax Act	Goods and Services Tax	3.09	-	2020-21	Asstt. Commissioner
Sales Tax Act	Sales Tax	4.00	4.00	1987-88	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	61.00	61.00	1994-95	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	34.00	34.00	1995-96	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	18.30	16.67	2009-10 to 2013-14	Joint Commissioner of Sales Tax
Sales Tax Act	Sales Tax	0.82	0.82	2006-07	Dy Comm. Of Commercial Taxes, Tamil Nadu.
Sales Tax Act	Sales Tax	53.77	21.33	2013-14	High Court, Lucknow
Sales Tax Act	Sales Tax	1.30	-	2020-21	Addl. Commissioner Appeal,Commercial tax UP
Sales Tax Act	Sales Tax	3.26	3.26	2014-15	Dy Comm. Of Commercial Taxes, Kerala.
Sales Tax Act	Sales Tax	0.58	0.58	2016-17	Dy Comm. Of Commercial Taxes, Kerala.
Sales Tax Act	Sales Tax	59.32	53.10	2009-10	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
Sales Tax Act	Sales Tax	0.37	0.33	2010-11	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
Sales Tax Act	Sales Tax	75.33	75.33	2014-15	Joint Commissioner of SGST, Kochi
Sales Tax Act	Sales Tax	71.06	70.44	2015-16	Dy. Commissioner of Sales Tax, Mumbai
Sales Tax Act	Sales Tax	8.31	7.95	2015-16	Dy. Commissioner of Sales Tax, Mumbai
Sales Tax Act	Sales Tax	559.88	559.88	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
Sales Tax Act	Sales Tax	3.54	3.54	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
Sales Tax Act	Sales Tax	7.35	4.59	2017-18	Additional Commissioner Grade -2 Appeals
Sales Tax Act	Sales Tax	6.00	6.00	1971-73	Commissioner sales tax, Lucknow
Sales Tax Act	Sales Tax	0.38	0.38	2017-18	Additional Commissioner Grade -2 Appeals
Sales Tax Act	Sales Tax	64.24	64.24	2017-18	Joint Commissioner, State Tax
Finance Act, 1994	Service Tax	60.77	60.77	2015-16 & 2016-17	Commissioner, Central goods and service tax (Appeals Noida)
Sales Tax Act	Sales Tax	31.73	-	2016-17	Commercial Tax Tribunal, U.P.
Goods and Services Tax Act	Goods and Services Tax	1,247.15	743.08	2017-18 to 2022-23	Asstt. Commissioner State Tax, Mumbai
Goods and Services Tax Act	Goods and Services Tax	46.43	46.43	2017-18 to 2018-19	Asstt. Commissioner Commercial Taxes, Bangalore
Goods and Services Tax Act	Goods and Services Tax	139.12	139.12	2017-18 to 2018-19	Asstt. Commissioner Audit, Guwahati
Custom Act	Custom Duty	3.28	3.28	2017-18	Custom, Excise and Service tax Appellate Tribunal, New Delhi
Custom Act	Custom Duty	563.8	513.65	2017-18	Custom, Excise and Service tax Appellate Tribunal, Ahmedabad

(viii) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessment under the Income Tax Act, 1961 as income during the year, accordingly the provisions of paragraph 3 (viii) of the Order are not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on the basis of our audit procedures, we report that no funds raised on short term basis have been utilised for long term purposes during the year.

(e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.

(x) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not raised any moneys by way of initial public offer/ further public offer (including debt instruments) during the year. Accordingly, the provisions on paragraph 3(x)(a) of the Order are not applicable to the Company.

(x) (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the provisions on paragraph 3(x)(b) of the Order are not applicable to the Company.

(xi) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year, nor we have been informed of any such case by the management.

(b) During the year, no report under Sub-section (12) of section 143 of Companies Act, 2013 was required to be filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanation given to us, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii)(a), (b), (c) of the Order are not applicable to the Company.

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

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, requirement to report on paragraph (xvi)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not conducted any Non -Banking Financial or Housing Finance activities without obtaining a valid certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on paragraph 3 (xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our audit procedures, we report that the group does not have any CIC as part of the group. Accordingly, the provisions of paragraph (xvi)(d) of the Order are not applicable to the Company. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) According to the information and explanations given to us and on the basis of our audit procedures, we report that, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditor during the year and accordingly, the provisions of paragraph 3 (xviii) of the Order are not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note no 54 of the Standalone Ind AS financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS financial statement, our knowledge of the Board of Directors and management plan and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to believe that no material uncertainty exists as on the date of audit report that Company is not capable of meeting its liabilities existing at date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not the assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company does not have unspent amount in respect of other than ongoing projects.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that in respect of the ongoing projects, the Company has transferred unspent amount to a special account, with in a period of thirty days from the end of the financial year in compliance with section 135(6) of Companies Act.

(xxi) The provisions of paragraph 3(xxi) of the Order are not applicable in respect of Standalone Ind AS Financial statements. Accordingly, no comment in respect of said clause has been included in this report.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN: 23087010BGZFEL1951

Place: Noida
Dated: May 29, 2023

Annexure - B To The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Isgec Heavy Engineering Limited on the standalone Ind AS financial statements for the year ended 31st March, 2023)

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

We have audited the internal financial controls over financial reporting of Isgec Heavy Engineering Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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 Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN: 23087010BGZFEL1951

Place: Noida
Dated: May 29, 2023

Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	41,431.29	42,091.45
(b) Right-of-use assets	4	3,879.69	3,217.86
(c) Capital work - in - progress		410.24	835.14
(d) Other intangible assets	5	1,794.29	2,152.03
(e) Intangible assets under development		1,257.22	-
(f) Financial assets			
(i) Investments	6	16,329.69	16,929.69
(ii) Loans	7	11,269.17	9,171.28
(iii) Trade receivables	8	6,957.25	18,674.92
(iv) Other financial assets	9	1,898.93	1,754.55
(g) Deferred tax assets (net)	25	3,050.47	2,287.50
(h) Other non - current assets	10	210.25	601.84
Total non-current assets		**88,488.49**	**97,716.26**
(2) Current assets			
(a) Inventories	11	64,111.26	55,155.18
(b) Financial assets			
(i) Investments	12	1,660.48	11,871.56
(ii) Trade receivables	13	2,78,817.91	2,27,909.69
(iii) Cash and cash equivalents	14	12,214.64	6,594.93
(iv) Bank balances other than (iii) above	15	1,406.90	1,228.48
(v) Loans	16	814.15	753.32
(vi) Other financial assets	17	1,881.47	1,141.82
(c) Current tax assets (net)	18	-	767.24
(d) Other current assets	19	85,960.49	88,951.62
Total current assets		**4,46,867.30**	**3,94,373.84**
Total assets		**5,35,355.79**	**4,92,090.10**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	20	735.29	735.29
(b) Other Equity	21	1,93,835.62	1,77,587.92
Total equity		**1,94,570.91**	**1,78,323.21**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	-	9,999.96
(ia) Lease liabilities		1,181.81	579.64
(ii) Other financial liabilities	23	111.59	118.67
(b) Provisions	24	7,608.05	4,694.96
(c) Other non - current liabilities	26	14,864.89	21,531.28
Total non-current liabilities		**23,766.34**	**36,924.51**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	44,677.42	33,365.65
(ia) Lease liabilities		466.32	334.89
(ii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small enterprises		5,967.95	11,479.99
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,27,164.26	1,10,692.75
(iii) Other financial liabilities	29	5,929.72	5,655.35
(b) Other current liabilities	30	1,22,051.23	1,01,703.80
(c) Provisions	31	10,026.29	13,609.95
(d) Current tax liabilities (net)	18	735.35	-
Total current liabilities		**3,17,018.54**	**2,76,842.38**
Total equity & liabilities		**5,35,355.79**	**4,92,090.10**

The accompanying notes from 1 to 59 form an integral part of the financial statements

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No.087010

Sachin Saluja
Company Secretary
M.No. A24269

Kishore Chatnani
Whole-time Director and Chief Financial Officer
DIN: 07805465

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	32	4,65,191.71	4,44,446.52
II	Other income	33	3,498.90	2,603.90
III	**Total income (I + II)**		**4,68,690.61**	**4,47,050.42**
IV	**Expenses**			
	Cost of materials consumed	34	92,463.09	75,674.29
	Purchases of Stock-in-Trade	35	1,81,015.41	2,00,913.68
	Erection & commissioning expenses		62,223.50	61,617.79
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	36	(2,884.98)	(4,772.50)
	Employee benefits expense	37	34,300.18	31,868.60
	Finance costs	38	3,700.68	2,266.07
	Depreciation and amortization expense	39	6,311.05	6,539.29
	Other expenses	40	68,122.14	58,236.93
	Total expenses (IV)		**4,45,251.07**	**4,32,344.15**
V	**Profit before tax (III - IV)**		**23,439.54**	**14,706.27**
VI	**Tax expense**	41		
	(1) Current tax		6,385.29	4,420.50
	(2) Deferred tax		(738.07)	(996.12)
	Total tax expenses		**5,647.22**	**3,424.38**
VII	**Profit for the year (V - VI)**		**17,792.32**	**11,281.89**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment defined benefit plans		(98.93)	424.81
	(ii) Income tax relating to items that will not be reclassified to profit or loss		24.90	(106.91)
	Total other comprehensive income		**(74.03)**	**317.90**
IX	**Total comprehensive income (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**17,718.29**	**11,599.79**
X	**Earnings per equity share of ₹1/- each**	42		
	Basic (in ₹)		24.20	15.34
	Diluted (in ₹)		24.20	15.34

The accompanying notes from 1 to 59 form an integral part of the financial statements

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No.087010

Sachin Saluja
Company Secretary
M.No. A24269

Kishore Chatnani
Whole-time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Statement of Cash Flows
for the year ended March 31, 2023

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	23,439.54	14,706.27
	Adjustments for :		
	Depreciation and amortisation expense	6,311.05	6,539.29
	(Gain) / loss on property, plant and equipment sold / written off	(8.86)	(4.44)
	Liabilities no longer required written back	(72.65)	(202.84)
	Provision for expected credit loss	1,804.63	2,818.78
	Provision for impairment loss on investments	600.00	-
	Finance income	(1,025.64)	(766.72)
	Finance costs	3,700.68	2,266.07
	Income from investment-Dividends	(1,670.01)	(1,355.70)
	(Gain) / loss on sale of financial instruments (investment)	(35.37)	(121.04)
	Change in fair value of financial instrument (investment)	100.25	-
	Adjustment due to discounting in warranty provision	(304.71)	38.83
	Unrealised (gain) / loss on foreign currency translation	(3,386.09)	(511.95)
	Operating profit before working capital adjustments	**29,452.82**	**23,406.55**
	Working capital adjustments		
	(Increase) / Decrease in trade receivables	(36,779.90)	2,775.84
	(Increase) / Decrease in other receivables	1,979.19	(6,477.08)
	(Increase) / Decrease in inventories	(8,956.08)	(7,588.20)
	Increase / (Decrease) in trade and other payables	24,783.53	(17,972.79)
	Increase / (Decrease) in payables and provisions	(1,174.88)	(1,701.96)
	Cash generated from operations	**9,304.68**	**(7,557.64)**
	Income Tax paid (net of refund)	(4,882.70)	(5,872.06)
	Net cash flow from / (used in) operating activities	**4,421.98**	**(13,429.70)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(5,685.81)	(5,567.64)
	Proceeds from sale of property, plant and equipment	108.88	106.76
	Net proceeds from (purchase) / sale of mutual funds	10,146.20	(7,418.35)
	Loans repaid/(given)	(858.47)	-
	(Increase)/decrease in other bank balances	(178.42)	-
	Interest received	359.12	766.72
	Dividend received	1,670.01	1,355.70
	Net cash flow from / (used in) investing activities	**5,561.51**	**(10,756.81)**

Statement of Cash Flows

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C Cash flow from financing activities		
Dividend paid on equity shares	(1,495.72)	(754.18)
Payment of lease liabilities	(547.14)	(428.47)
Finance cost	(3,632.73)	(2,183.07)
Proceeds from long term borrowings	-	8,830.42
Repayment of long term borrowings	(9,999.96)	(96.86)
Proceeds / (repayment) from short term borrowings (net)	11,311.77	14,748.19
Net cash flow from / (used in) financing activities	**(4,363.78)**	**20,116.03**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**5,619.71**	**(4,070.48)**
Cash and cash equivalents at the begining of the year	**6,594.93**	**10,665.41**
Cash and cash equivalents at the end of the year	12,214.64	6,594.93
Components of cash and cash equivalents		
Balance with banks in current account (refer note 14)	12,117.22	6,440.77
Cheques and drafts on hand (refer note 14)	83.84	141.40
Cash on hand (refer note 14)	13.58	12.76
Cash and cash equivalents	**12,214.64**	**6,594.93**

Notes:

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

2 Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance as on April 1	43,365.61	19,883.86
Non-cash changes due to		
- Interest expense	-	-
- Others	-	-
Cash flows during the year		
- Proceeds from long term borrowings (refer note 22.1)	-	8,830.42
- Repayment of long term borrowings (refer note 22.1)	(9,999.96)	(96.86)
- Proceeds / (repayment) from short term borrowings (net), other than current maturities of long term debt (refer note 27)	11,311.77	14,748.19
Closing balance as on March 31	**44,677.42**	**43,365.61**

3 Figures in brackets indicate cash outgo.

As per our report of the even date

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No.087010

Sachin Saluja
Company Secretary
M.No. A24269

Kishore Chatnani
Whole-time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

As at April 1, 2021	Changes during the year	As at March 31, 2022	Changes during the year	As at March 31, 2023
735.29	-	735.29	-	735.29

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and surplus						Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Items of other comprehensive income (remeasurement of post employment defined benefit plans)	
Balance as at April 1, 2021	**0.01**	**450.22**	**3.24**	**17,439.54**	**1,48,649.78**	**180.64**	**1,66,723.43**
Profit for the year	-	-	-	-	11,281.89	-	11,281.89
Other comprehensive income	-	-	-	-	-	317.90	317.90
Final dividend paid for the year ended March 31, 2021	-	-	-	-	(735.30)	-	(735.30)
Interim dividend paid during the year ended March 31, 2022	-	-	-	-	-	-	-
Balance as at March 31, 2022	**0.01**	**450.22**	**3.24**	**17,439.54**	**1,59,196.37**	**498.54**	**1,77,587.92**
Profit for the year	-	-	-	-	17,792.32	-	17,792.32
Other comprehensive income	-	-	-	-	-	(74.03)	(74.03)
Final dividend paid for the year ended March 31, 2022	-	-	-	-	(1,470.59)	-	(1,470.59)
Interim dividend paid during the year ended March 31, 2023	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-
Balance as at March 31, 2023	**0.01**	**450.22**	**3.24**	**17,439.54**	**1,75,518.10**	**424.51**	**1,93,835.62**

As per our report of the even date

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No.087010

Sachin Saluja
Company Secretary
M.No. A24269

Kishore Chatnani
Whole-time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Notes to Financial Statements

NOTE 1 : CORPORATE INFORMATION

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

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

NOTE 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

These standalone financial statements have been prepared under the provisions of the Companies Act , 2013 ('Act'), Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Act) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The standalone financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period.

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

The standalone financial statements were authorized for issue by the Company's Board of Directors on 29 May 2023.

2.2 Use of Estimates

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

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

a. Revenue from contracts with customers

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

b. Provision for onerous contracts

The Company provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the likely levels of future cost escalation over time.

Notes to Financial Statements

c. **Defined benefit plans**

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

d. **Warranty provision**

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumption made in current period are consistent with those in the prior year. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability. Refer Note 24 for further details.

e. **Impairment of financial assets**

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

As a practical expedient, the Company uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL.

For Computing the expected credit loss allowance for other financial assets, the probability of default is applied as per default matrix comprises of exposure due, risk ranking of the grades for similar industries, macro-economic parameters relevant to the industry and financial status of the entity involved.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are assessed by an independent registered valuer and are provided for. Refer Note 51 for details of impairment allowances recognised at the reporting date.

f. **Deferred tax asset recognition**

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

g. **Legal contingencies**

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows.

Management regularly analyses current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions does not automatically indicate that a provision of a loss may be appropriate.

Notes to 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 as per company's normal operating cycle and other criteria set out in the Schedule III to the Act. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

  The Company classifies all other liabilities as non-current.

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

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

2.4 Revenue Recognition

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

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

A. Sale of products and services

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

Revenue from services rendered is recognised in the accounting period in which the services are rendered based on the arrangements/ agreements with the concerned parties.

Notes to Financial Statements

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

B. Revenue from Engineering, Procurement and Construction Contracts

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

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

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

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

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

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

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

D. Rental Income

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

E. Other Income

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

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

(iii) **Dividend**

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

Notes to Financial Statements

2.5 Inventories

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

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

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

Traded Goods are valued at lower of cost and net realisable value. Cost of traded goods includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

2.6 Property, Plant & Equipment (PPE)

Recognition

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

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

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

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

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

De-recognition

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

2.7 Intangible Assets

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

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

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

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

2.8 Depreciation and Amortization

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

The management has estimated the following useful lives of assets:

Asset Category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Land (leasehold)	**30 to 99**	Lease period
Buildings	**3 to 60**	3 to 60
Plant and equipment	**7.5 to 15**	15
Furniture & fixtures	**10**	10
Vehicles	**8 to 10**	8 to 10
Office equipment	**3 to 10**	5 to 10

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

Intangible assets are amortized over the useful economic life which is reviewed at the end of each reporting period. Based on this criteria, presently amortisation rates applied to the Company's intangible assets are as below:

Technical know how 5 to 10 years

Computer software 5 years

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

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

2.9 Non-current assets (or disposal groups) classified as held for sale

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

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

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

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

Notes to Financial Statements

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

2.10 Impairment of Non-Financial Assets

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

The Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

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.

Financial guarantees are issued by the Company to secure the credit facilities extended to its subsidiary companies by their lenders. These guarantees are to reimburse the lenders of subsidiary companies in the event of a default. The liability on account of impairment is measured at the loss determined as per requirements of Ind AS 109 and the same is recognised as Provision for expected credit loss on these guarantees.

At each reporting date, the Company assesses whether the credit risk on these guarantees has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of these guarantees instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on these guarantees as at the reporting date with the risk of a default occurring on these guarantees as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that requirement is no longer met, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

2.11 Employee Benefits

(i) Provident Fund

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

Notes to 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, which is expected to be utilised or paid in next twelve months, as short-term employee benefits. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

(iv) Retirement Benefits

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

(v) Pension

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

(vi) Superannuation Benefit

The Company operates a Superannuation Scheme Trust which in turn has taken Group Gratuity cum Life Assurance policies with the Life Insurance Corporation of India. The Company makes contribution to superannuation fund, for the employees who have opted for this scheme, which is a post-employment benefit in the nature of a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(vii) Other Short-Term Benefits

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

2.12 Leases

As a Lessee

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

Notes to Financial Statements

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

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

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

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

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

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

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

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

As a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.13 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or

Notes to Financial Statements

substantively enacted at the reporting date. Current income tax is charged at the end of reporting period to statement of profit & loss.

Deferred Tax

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

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

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

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

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

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

2.14 Borrowing Cost

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

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

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

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

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

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

Notes to Financial Statements

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

2.16 Dividends

Dividend to equity shareholders is recognized as a liability in the period in which the dividends are approved by the equity shareholders.

Interim dividends that are declared by the Board of Directors without the need for equity shareholders' approvals are recognized as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

2.17 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

2.18 Financial instruments

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

Initial recognition

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

Subsequent measurement

For the purpose of subsequent measurement, financial assets and financial liabilities are classified in the following broad categories:

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

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

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

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

(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.

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

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

Derecognition

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

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

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

Reclassification of financial assets

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

2.19 Cash and cash equivalents

Cash and cash equivalents 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.

Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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

Notes to Financial Statements

2.20 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognized in the Statement of profit and loss.

2.21 Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Company follows 'simplified approach' for recognition of impairment allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 is recognized as an impairment gain or loss in profit or loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

2.22 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Company holds the trade receivables with the objective to collect the contractual cash flows less loss allowance.

2.23 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. It is shown as net of related expense except where the related expense is not directly identifiable. In such cases, the grant is presented in the 'Other Income'.

Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income. It is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

2.24 Functional and Presentation Currency

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

Notes to Financial Statements

2.25 Foreign currencies

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

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

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

2.26 Research and Development Expenses

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

2.27 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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Notes to Financial Statements

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

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

2.28 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1-Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant policies. The effective date of adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12-Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date of adoption of this is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Notes to Financial Statements

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Freehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value							
As at April 1, 2021	9,785.39	19,884.69	39,320.42	1,046.56	1,387.98	3,499.46	74,924.50
Additions	-	841.39	3,110.13	73.24	278.94	527.02	4,830.72
Disposals	-	-	156.28	3.01	193.67	126.00	478.96
As at March 31, 2022	9,785.39	20,726.08	42,274.27	1,116.79	1,473.25	3,900.48	79,276.26
Additions	-	720.68	2,700.82	199.50	454.16	520.29	4,595.45
Disposals	-	23.66	209.05	4.98	87.52	91.29	416.50
As at March 31, 2023	**9,785.39**	**21,423.10**	**44,766.04**	**1,311.31**	**1,839.89**	**4,329.48**	**83,455.21**
Accumulated depreciation							
As at April 1, 2021	-	6,863.10	20,972.12	807.65	937.77	2,506.77	32,087.41
Charge for the year	-	1,140.56	3,591.46	73.62	183.71	484.69	5,474.04
Disposals	-	-	113.21	2.76	153.21	107.46	376.64
As at March 31, 2022	-	8,003.66	24,450.37	878.51	968.27	2,884.00	37,184.81
Charge for the year	-	1,085.49	3,305.78	53.90	215.54	494.88	5,155.59
Disposals	-	14.39	144.88	4.34	74.00	78.87	316.48
As at March 31, 2023	**-**	**9,074.76**	**27,611.27**	**928.07**	**1,109.81**	**3,300.01**	**42,023.92**
Net carrying value							
As at March 31, 2022	9,785.39	12,722.42	17,823.90	238.28	504.98	1,016.48	42,091.45
As at March 31, 2023	**9,785.39**	**12,348.34**	**17,154.77**	**383.24**	**730.08**	**1,029.47**	**41,431.29**

Notes:

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

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

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

The details of the assets lease out is given below:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying value	**16,618.39**	13,387.06
Accumulated depreciation	**12,983.45**	11,179.10
Net carrying value	**3,634.94**	2,207.96

Notes to Financial Statements

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of Use asset		
	Land (Leasehold)	Buildings	Total
Gross carrying value			
As at April 1, 2021	2,952.35	1,514.09	4,466.44
Additions	-	245.72	245.72
Deletions	-	-	-
As at March 31, 2022	2,952.35	1,759.81	4,712.16
Additions	-	1,227.02	1,227.02
Deletions	-	443.45	443.45
As at March 31, 2023	**2,952.35**	**2,543.38**	**5,495.73**
Accumulated depreciation			
As at April 1, 2021	449.37	604.50	1,053.87
Charge for the year	81.72	358.71	440.43
Deletions	-	-	-
As at March 31, 2022	531.09	963.21	1,494.30
Charge for the year	81.69	457.99	539.68
Deletions	-	417.94	417.94
As at March 31, 2023	**612.78**	**1,003.26**	**1,616.04**
Net carrying value			
As at March 31, 2022	2,421.26	796.60	3,217.86
As at March 31, 2023	**2,339.57**	**1,540.12**	**3,879.69**

NOTE 5 : OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total
Gross carrying value			
As at April 1, 2021	2,286.68	5,993.23	8,279.91
Additions	22.21	742.86	765.07
Disposals	-	-	-
As at March 31, 2022	2,308.89	6,736.09	9,044.98
Additions	208.00	50.04	258.04
Disposals		-	-
As at March 31, 2023	**2,516.89**	**6,786.13**	**9,303.02**
Accumulated amortisation			
As at April 1, 2021	1,938.60	4,329.53	6,268.13
Charge for the year	121.79	503.03	624.82
Disposals	-	-	-
As at March 31, 2022	2,060.39	4,832.56	6,892.95
Charge for the year	127.38	488.40	615.78
Disposals	-	-	-
As at March 31, 2023	**2,187.77**	**5,320.96**	**7,508.73**
As at March 31, 2022	248.50	1,903.53	2,152.03
As at March 31, 2023	**329.12**	**1,465.17**	**1,794.29**

Notes to Financial Statements

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)
Investment in equity instruments (at cost)						
Equity shares of subsidiary companies fully paid up (unquoted)						
Isgec Covema Limited	10	20,00,000	200.00	10	20,00,000	200.00
Isgec Exports Limited	10	1,00,000	10.00	10	1,00,000	10.00
Isgec Engineering & Projects Limited	10	40,00,000	400.00	10	40,00,000	400.00
Freelook Software Private Limited	10	24,650	1,306.45	10	24,650	1,306.45
Saraswati Sugar Mills Limited	10	70,99,900	7,009.99	10	70,99,900	7,009.99
Isgec Hitachi Zosen Limited	10	5,10,00,000	5,100.00	10	5,10,00,000	5,100.00
Isgec SFW Boilers Private Limited	10	10,20,000	102.00	10	10,20,000	102.00
Isgec Titan Metal Fabricators Private Limited	10	5,10,000	51.00	10	5,10,000	51.00
Isgec Redecam Enviro Solutions Private Limited	10	10,20,000	102.00	10	10,20,000	102.00
Eagle Press & Equipment Co. Limited, Canada	CAD 1	45,00,000	2,643.05	CAD 1	45,00,000	2,643.05
Isgec Investments PTE Ltd, Singapore	SGD 1	10,000	5.20	SGD 1	10,000	5.20
Total			**16,929.69**			**16,929.69**
Provision for impairment on investments			(600.00)			-
			16,329.69			16,929.69
Aggregate amount of quoted investments and market value thereof:			-			-
Aggregate amount of unquoted investments:			16,329.69			16,929.69
Aggregate amount of impairment in value of investments:			-			-

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties		
Loans receivables considered good - Unsecured		
Loan to subsidiary company (refer note 49)	10,334.25	8,876.03
Interest accrued but not due on loan to subsidiary company (refer note 49)	1,124.04	429.28
Allowance for expected credit losses	(527.05)	(409.08)
Other loans		
Loans receivables considered good - Secured		
Loans to employees	169.45	189.40
Loans receivables considered good - Unsecured		
Loans to employees	168.48	85.65
Total	**11,269.17**	**9,171.28**

Notes to Financial Statements

Note 7.1 : Movement of allowance for expected credit losses

(₹ in lakhs)

Particulars	2022-23	2021-22
Movement of allowance for expected credit losses		
Opening balance at the beginning of the year	409.08	349.00
Provided during the year	117.97	60.08
Amounts written off	-	-
Reversal of provisions	-	-
Closing balance at the end of the year	527.05	409.08

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	6,962.25	18,674.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Allowance for expected credit losses	(5.00)	-
Total	**6,957.25**	**18,674.92**

Note 8.1 : Non-current trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - considered good	6,962.25	-	-	-	6,962.25
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	**6,962.25**	**-**	**-**	**-**	**6,962.25**
vii) Allowance for credit losses	-				(5.00)
Total					**6,957.25**

Notes to Financial Statements

(₹ in lakhs)

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

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Fixed deposits with banks having maturity of more than twelve months	25.41	-
Security deposits *	1,036.70	941.60
Bank fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve month	800.00	800.10
Interest accrued but not due on deposits	36.82	12.85
Total	**1,898.93**	**1,754.55**

* includes balances with related parties (refer note 49)

NOTE 10 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	47.77	541.20
Prepaid expenses	162.48	60.64
Total	**210.25**	**601.84**

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials		
Raw materials	18,592.78	17,652.30
Raw materials in transit	930.78	1,516.30
Work - in - progress		

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Engineering goods	26,963.82	25,647.26
Ingots and steel castings	3,891.92	2,323.50
Stock-in-trade		
Goods in transit	10,552.62	4,747.78
Goods at warehouse	335.59	434.04
Stores and spares		
Stores and spares	2,763.79	2,709.03
Stores & spares in transit	-	54.36
Loose tools	79.96	70.61
Total	**64,111.26**	**55,155.18**

NOTE 12 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in mutual funds				
-Unquoted				
SBI Magnum Low Duration Fund - Regular Plan - Growth	-	-	1,80,875	5,149.74
SBI Short Term Debt Fund - Regular Plan - Growth	-	-	38,39,213	999.95
SBI Overnight Fund - Regular - Growth	-	-	1,09,495	3,750.53
		-		**9,900.22**
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund-Essel Finance		122.16		132.47
ASK Real Estate Special Opportunities Fund		521.90		631.27
ASK Real Estate Special Situations Fund		142.92		199.24
Edelweiss Real Estate Opportunities Fund (EROF)		56.11		77.94
Investcorp Score Fund		77.38		92.40
Indiabulls High Yield Fund		120.42		180.84
Indiabulls Dual Advantage Commercial Asset Fund		519.44		511.20
Nippon India Yield Maximiser Fund Scheme-I		18.43		33.51
Nippon India Yield Maximiser Scheme-III		81.72		112.47
		1,660.48		**1,971.34**
Total current investments (a + b)		**1,660.48**		**11,871.56**
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on respective net asset value)		1,660.48		11,871.56
Aggregate amount of impairment in value of investments		-		-

Notes to Financial Statements

NOTE 13 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured *	2,84,229.63	2,32,742.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	14.42	-
Allowance for expected credit losses	(5,426.14)	(4,832.62)
Total	**2,78,817.91**	**2,27,909.69**

* includes balances with related parties (refer note 49)

Note 13.1 : Current trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	1,91,948.99	51,067.16	4,937.39	6,510.60	4,207.94	24,603.60	2,83,275.68
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	597.59	5.95	-	-	-	350.41	953.95
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	14.42	14.42
Total	**1,92,546.58**	**51,073.11**	**4,937.39**	**6,510.60**	**4,207.94**	**24,968.43**	**2,84,244.05**
vii) Allowance for credit losses							(5,426.14)
Total							**2,78,817.91**

Notes to Financial Statements

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment						
	Not due	**Less than 6 months**	**6 months to 1 year**	**1 year to 2 years**	**2 years to 3 years**	**More than 3 years**	**Total**
i) Undisputed Trade receivables - considered good	1,65,671.35	28,934.47	3,645.40	6,696.52	23,703.55	2,672.03	2,31,323.32
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	943.10	5.95	-	24.30	70.57	375.07	1,418.99
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,66,614.45**	**28,940.42**	**3,645.40**	**6,720.82**	**23,774.12**	**3,047.10**	**2,32,742.31**
vii) Allowance for credit losses							(4,832.62)
Total							**2,27,909.69**

NOTE 14 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	12,117.22	6,440.77
Cheques and drafts on hand	83.84	141.40
Cash on hand	13.58	12.76
Total	**12,214.64**	**6,594.93**

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks:		
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	1,327.83	1,124.28
Earmarked - unclaimed dividend accounts	79.07	104.20
Total	**1,406.90**	**1,228.48**

Notes to Financial Statements

NOTE 16 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other loans		
Loans receivables considered good - Secured		
Loans to employees	46.66	78.29
Loans receivables considered good - Unsecured		
Advances to employees	663.17	602.83
Advance to group gratuity trust	104.32	72.20
Total	**814.15**	**753.32**

NOTE 17 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - Secured		
Security deposits	141.96	19.04
Interest accrued on security deposits	-	7.09
Considered good - Unsecured		
Security deposits	1,286.65	731.77
Interest accrued on security deposits	9.30	9.40
Derivatives		
Foreign exchange forward contract receivables	130.09	164.27
Others		
Interest accrued but not due on bank fixed deposits	202.72	210.25
Recoverables from related party (refer note 49)	110.75	-
Total	**1,881.47**	**1,141.82**

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Income Taxes	5,649.94	5,187.74
Less: Provisions for income tax	6,385.29	4,420.50
Total	**(735.35)**	**767.24**

Notes to Financial Statements

NOTE 19 : OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances		
Advances to related parties (refer note 49)	1,394.01	127.02
Advances to suppliers	22,467.16	25,262.14
Allowance for expected credit losses	(335.00)	-
Others		
Unbilled revenue	48,847.45	48,148.78
Allowance for expected credit losses	(43.05)	-
Prepaid expenses	1,847.17	930.90
Balance with government authorities	10,964.41	12,869.59
Export Incentive receivable	501.33	1,523.35
Others *	317.01	89.84
Total	**85,960.49**	**88,951.62**

* includes miscellaneous recoverables from employees and suppliers

Note 19.1 : Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers

(₹ in lakhs)

Particulars	2022-23	
Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers		
Opening balance at the beginning of the year		-
Provided during the year		378.05
- Advances to suppliers	335.00	
- Unbilled Revenue	43.05	
Amounts written off		-
Reversal of provisions		-
Closing balance at the end of the year		**378.05**
-Advances to suppliers		**335.00**
-Unbilled Revenue		**43.05**

NOTE 20 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Authorised share capital	**8,50,00,000**	**850.00**	**8,50,00,000**	**850.00**
(Equity shares of ₹1/- each with voting rights)				
Issued, subscribed & paid up	**7,35,29,510**	**735.29**	**7,35,29,510**	**735.29**
(Equity shares of ₹1/-each fully paid up with voting rights)				
Total	**7,35,29,510**	**735.29**	**7,35,29,510**	**735.29**

Notes to Financial Statements

Notes:

(a) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

(b) Reconciliation of the number of shares and amount outstanding:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	7,35,29,510	735.29	7,35,29,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	7,35,29,510	735.29	7,35,29,510	735.29

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

Class of shares/name of the shareholders:	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) The Yamuna Syndicate Limited	3,30,84,798	45.00%	3,30,84,798	45.00%
(ii) Mr. Ranjit Puri	65,92,010	8.97%	65,92,010	8.97%
(iii) Mr. Aditya Puri	45,68,080	6.21%	45,68,080	6.21%

(d) Shareholding of Promotors:

Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% change during the year
Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	
(i) The Yamuna Syndicate Limited	3,30,84,798	45.00%	3,30,84,798	45.00%	
(ii) Mr. Ranjit Puri	65,92,010	8.97%	65,92,010	8.97%	
(iii) Mr. Aditya Puri	45,68,080	6.21%	45,68,080	6.21%	No change
(iv) N. A. Cold Storages Private Limited	15,00,470	2.04%	15,00,470	2.04%	
(v) Mrs. Nina Puri	1,59,530	0.22%	1,59,530	0.22%	

Notes to Financial Statements

NOTE 21 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital reserve		
Balance outstanding at the beginning of the year	0.01	0.01
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	0.01	0.01
(b) Capital redemption reserve		
Balance outstanding at the beginning of the year	3.24	3.24
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	3.24	3.24
(c) Securities premium		
Balance outstanding at the beginning of the year	450.22	450.22
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	450.22	450.22
(d) General reserve		
Balance outstanding at the beginning of the year	17,439.54	17,439.54
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	17,439.54	17,439.54
(e) Retained earnings		
Balance outstanding at the beginning of the year	1,59,694.91	1,48,830.42
Add: Net profit for the year	17,792.32	11,281.89
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post employment benefit obligation (net of tax)	(74.03)	317.90
(refer note 21.1)		
Less: Appropriations		
- Dividend for the year ended March 31, 2022 @ ₹ 2 per share of ₹ 1 each	1,470.59	735.30
(for the year ended March 31, 2021 @ ₹ 1 per share of ₹ 1 each)		
Balance outstanding at the end of the year	1,75,942.61	1,59,694.91
Total	**1,93,835.62**	**1,77,587.92**

Note 21.1: This is item of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

Note 21.2 : Nature and purpose of reserves

Capital Reserve

400 equity shares of ₹ 1/- each are yet to be allotted by way of bonus shares on receipt of fractional certificates, value of which has been shown under capital reserve.

Notes to Financial Statements

Capital Redemption Reserve

Capital redemption reserve of ₹ 1.58 lakhs was created against the redemption of cumulative preference shares in financial year 1991-92 and ₹ 1.66 lakhs against the buy back of equity shares in financial year 2013-14.

Securities Premium

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

General Reserve

This represents appropriation of profit after tax by the company.

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

Retained Earnings

This comprise company's undistributed profit after taxes.

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan from bank (refer note 22.1)	-	9,999.96
Total	**-**	**9,999.96**

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

(₹ in lakhs)

Balance	Loan amount outstanding	Current maturity	Long term	Rate of interest (p.a.)	Initial loan amount	Terms of repayment	Security
As at March 31, 2023	9,999.96	9,999.96	-	7.35%	19,999.92	The loans are repayable in 8 quarterly equal installment over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the company except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders.
As at March 31, 2022	19,999.92	9,999.96	9,999.96	5.45%			

Notes to Financial Statements

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

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

b) Details of Current block

i)	2 Year block period	FY 2021-22, FY 2022-23
ii)	Incremental borrowing done in FY 2022-23 in long term borrowings	₹ NIL lakhs
		(This is against the original sanction of ₹ 20,000 lakhs from HDFC Bank vide its letter dated December 1, 2020. An amount of ₹ 11,169.50 lakhs was borrowed in FY 2021 and the balance of ₹ 8,830.42 lakhs in FY 2022.
iii)	Mandatory borrowing to be done through debt securities in FY 2022-23 (25% of (ii))	₹ NIL lakhs
iv)	Actual borrowing done through debt securities in FY 2022-23	NIL
v)	Shortfall in the borrowing through debt securities, if any, for FY2021-22 carried forward to FY 2022-23	NIL
vi)	Quantum of (v) which has been met from (iv)	Not Applicable
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2022-23. (iii)-[(iv)-(vi)]	NIL

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

i)	2-year block period	FY 2021-22, FY 2022-23
ii)	Amount of fine to be paid for the block, if applicable Fine = 0.2% of [(v)-(vi)]	NIL

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit under car loan scheme	103.09	110.17
Security deposit	8.50	8.50
Total	**111.59**	**118.67**

NOTE 24 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
-Leave encashment	1,988.55	1,961.48
-Pension provision	794.42	752.32
	2,782.97	**2,713.80**
Provision for Guarantee liabilities (refer note 24.3)	710.09	-
Provision for warranty (refer note 24.1 and 24.2)	4,114.99	1,981.16
Total	**7,608.05**	**4,694.96**

Notes to Financial Statements

Note 24.1 : Provision for warranty

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

Note 24.2 : Movement of provision for warranty

(₹ in lakhs)

Particulars	2022-23	2021-22
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	14,764.47	16,881.53
Additional provision made during the year	4,368.29	4,728.28
Amount used during the year	(259.42)	(2,540.78)
Amount reversed during the year	(5,177.25)	(4,343.39)
Adjustment due to discounting	(304.71)	38.83
Carrying amount at the end of the year	13,391.38	14,764.47
Break up of Carrying amount at the end of the year		
Long term provisions	4,114.99	1,981.16
Short term provisions (refer note 31)	9,276.39	12,783.31

Note 24.3 : Movement of provision for Guarantee liabilities

(₹ in lakhs)

Particulars	2022-23	2021-22
Movement of provision for Guarantee liabilities		
Carrying amount at the beginning of the year	-	-
Additional provision made during the year	710.09	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Adjustment due to discounting	-	-
Carrying amount at the end of the year	710.09	-
Break up of Carrying amount at the end of the year		
Long term provisions	710.09	-
Short term provisions	-	-

NOTE 25 : DEFERRED TAX

25.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits deductible in future years	790.93	771.59
Property, plant and equipment	292.83	175.14
Right of use assets	27.18	29.68
Provision for expected credit losses - Trade receivables	1,366.91	1,216.27
Provision for expected credit losses - Advance to suppliers	84.31	-
Provision for expected credit losses - Loan to subsidiaries	132.64	102.96
Provision for expected credit losses - Unbilled revenue	10.83	-
Provision for expected credit losses - Guarantee laibility	178.72	-
Provision for impairment on investments	151.01	-
Fair valuation of investments	16.11	(9.12)
Fair valuation of security deposits	(1.00)	0.98
Net deferred tax (Liabilities) / Assets	**3,050.47**	**2,287.50**

Notes to Financial Statements

25.2 : Movement in deferred tax Liabilities/deferred tax assets

(₹ in lakhs)

Particulars	Employee benefits deductible in future years	Property, plant and equipment	Right of use assets	Provision for expected credit losses					Impairment on investments	Fair valuation of investments	Fair valuation of security deposits	Total
				Trade receivables	Guarantee laibility	Unbilled Revenue	Advance to suppliers	Loan to subsidiaries				
At March 31, 2021	**795.17**	**(22.72)**	**27.18**	**521.96**	**-**	**-**	**-**	**87.84**	**-**	**(15.57)**	**4.43**	**1,398.29**
(Charged)/Credited:-												
- to profit & loss	83.33	197.86	2.50	694.31	-	-	-	15.12	-	6.45	(3.45)	996.12
- to other comprehensive income	(106.91)	-	-	-	-	-	-	-	-	-	-	(106.91)
At March 31, 2022	**771.59**	**175.14**	**29.68**	**1,216.27**	**-**	**-**	**-**	**102.96**	**-**	**(9.12)**	**0.98**	**2,287.50**
(Charged)/Credited:-												
- to profit & loss	(5.56)	117.69	(2.50)	150.64	178.72	10.83	84.31	29.68	151.01	25.23	(1.98)	738.07
- to other comprehensive income	24.90	-	-	-	-	-	-	-	-	-	-	24.90
At March 31, 2023	**790.93**	**292.83**	**27.18**	**1,366.91**	**178.72**	**10.83**	**84.31**	**132.64**	**151.01**	**16.11**	**(1.00)**	**3,050.47**

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	14,864.89	21,531.28
Total	**14,864.89**	**21,531.28**

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Secured		
From banks		
Working capital demand loan (refer note 27.1 and 27.2)	26,400.00	19,000.00
Cash credit accounts (refer note 27.1 and 27.3)	2,921.07	3,180.56
Packing credit loans from banks (In Indian rupees)	4,000.00	-
(refer note 27.1 and 27.4)		
Current maturities of long term debt (refer note 22.1)	9,999.93	9,999.96
Unsecured		
Other loans (refer note 27.5)	1,356.42	1,185.13
Total	**44,677.42**	**33,365.65**

Note: 27.1 Secured by hypothecation of inventories and by a charge on book debts and other assets of the Company, in favor of working capital consortium bankers on pari passu basis.

Note: 27.2 Repayable on demand. Rates of interest for working capital demand loan varied from 4.40% to 8.12% during the above periods.

Note: 27.3 Repayable on demand. Rates of interest for cash credit accounts varied from 7.25% to 8.90% during the above periods.

Notes to Financial Statements

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

Particulars	As at March 31, 2023	As at March 31, 2022
In foreign currency (in US Dollars)	NIL	NIL
In Indian rupees	5.57%	5.21%

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

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note 28.1)	5,967.95	11,479.99
Total outstanding dues of creditors other than micro and small enterprises *	1,27,164.26	1,10,692.75
Total	**1,33,132.21**	**1,22,172.74**

* includes balances with related parties (refer note 49)

Note 28.1 : Trade payables to micro and small enterprises

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

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
	- principal	5,967.95	11,479.99
	- interest	6.18	3.56
(b)	the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e)	the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Notes to Financial Statements

Note 28.2 : Trade payables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	5,953.99	572.57	40.06	20.80	90.88	6,678.30
ii) Others	50,735.88	19,268.27	1,250.61	856.68	2,168.42	74,279.86
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	52,174.05	-	-	-	-	52,174.05
Total	**1,08,863.92**	**19,840.84**	**1,290.67**	**877.48**	**2,259.30**	**1,33,132.21**

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	12,736.56	485.28	25.97	7.39	103.01	13,358.21
ii) Others	18,307.66	31,993.03	1,097.71	889.97	2,136.14	54,424.51
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	54,390.02	-	-	-	-	54,390.02
Total	**85,434.24**	**32,478.31**	**1,123.68**	**897.36**	**2,239.15**	**1,22,172.74**

NOTE 29 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividends	79.07	104.20
Interest accrued but not due on borrowings	22.21	33.49
Security deposits received	235.39	159.44
Payable to employees	2,509.69	2,713.54
Foreign exchange forward contract payable	130.09	164.27
Capital creditors	209.44	323.72
Managerial /directors remuneration payable *	533.52	365.52
Expense payable	1,575.97	1,555.74
Other payables #	634.34	235.43
Total	**5,929.72**	**5,655.35**

* includes balances with related parties (refer note 49)

includes stale cheques and other refundables

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	57,525.03	52,365.69
Unearned revenue	60,156.71	46,476.51
Statutory dues	2,852.74	1,811.47
Government grant	17.27	17.27
Others *	1,499.48	1,032.86
Total	**1,22,051.23**	**1,01,703.80**

* includes provision for site expense

Notes to Financial Statements

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
-Leave encashment	236.92	215.54
-Gratuity (refer note 37.1)	354.28	313.76
-Pension provision	122.70	136.41
	713.90	**665.71**
Provision for CSR (refer note 40.1)	36.00	160.93
Provision for warranty (refer note 24.1 and 24.2)	9,276.39	12,783.31
Total	**10,026.29**	**13,609.95**

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	4,09,952.90	3,94,885.29
Erection, commissioning and related services	45,711.80	39,993.97
Other operating revenues (refer note 32.1)	9,527.01	9,567.26
Total	**4,65,191.71**	**4,44,446.52**

Note 32.1 : Other operating revenues

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Commission earned	-	333.45
Export incentives	1,648.40	968.74
Packing receipts	19.34	5.66
Unclaimed balances / liabilities no longer required written back	72.65	202.84
Foreign exchange fluctuations	1,947.11	2,883.95
Fair value gain on derivatives	243.11	415.97
Sale of scrap and waste	1,999.88	1,748.24
Lease rent receipts {refer note 46 (B)}	2,561.25	2,990.00
Miscellaneous income	1,035.27	18.41
Total	**9,527.01**	**9,567.26**

NOTE 33 : OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income :		
On loans to subsidiary companies	650.08	407.45
On bank deposits	91.50	120.97
On other deposits and investments	276.21	230.42
On financial assets measured at amortised cost	7.85	7.88
Total	**1,025.64**	**766.72**

Notes to Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(b) Dividend income on equity investments :		
Subsidiary companies		
- Saraswati Sugar Mills Limited	1,419.98	1,064.99
- Isgec Hitachi Zosen Limited	51.00	102.00
- Isgec Titan Metal Fabricators Private Limited	127.50	127.50
- Isgec Foster Wheeler Boilers Private Limited	71.40	61.20
Other companies	0.13	0.01
Total	**1,670.01**	**1,355.70**
(c) Net gain on sale of current investments	35.37	121.04
Total	**35.37**	**121.04**
(d) Other non operating income :		
Profit on sale of property, plant and equipment	44.11	52.37
Insurance claim receipts	180.29	23.19
Gain on investments carried at fair value through profit or loss	-	-
Miscellaneous income	543.48	284.88
Total	**767.88**	**360.44**
Grand Total	**3,498.90**	**2,603.90**

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material and components consumed (refer note 34.1)	87,260.15	71,815.88
Store consumed	5,202.94	3,858.41
Total	**92,463.09**	**75,674.29**

Note 34.1 : Details of raw materials and components consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Iron and steel	21,697.89	20,058.70
Alloys	3,297.28	2,849.79
Components and M.S. scrap	62,264.98	48,907.39
Total	**87,260.15**	**71,815.88**

Notes to Financial Statements

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of stock-in-trade	1,80,150.10	2,02,155.26
Provision/(reversal) for foreseeable losses on construction contracts	865.31	(1,241.58)
Total	**1,81,015.41**	**2,00,913.68**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
Work - in - progress	27,970.76	23,198.26
Total	**27,970.76**	**23,198.26**
Closing stock		
Work - in - Progress	30,855.74	27,970.76
Total	**30,855.74**	**27,970.76**
Changes in inventory	**(2,884.98)**	**(4,772.50)**

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & wages	31,030.29	29,460.10
Contribution to provident & other funds	2,523.64	1,798.54
Staff welfare expenses	746.25	609.96
Total	**34,300.18**	**31,868.60**

NOTE 37.1 : ADDITIONAL INFORMATION AS PER IND AS 19, EMPLOYEE BENEFITS

(a) Defined contribution plan:

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

(₹ in lakhs)

Particulars	2022-23	2021-22
Employer contribution towards:		
Employees state insurance	4.72	5.91
Superannuation fund	36.40	38.05
National pension scheme	174.25	167.02
Labour welfare fund	7.48	7.53
Total	**222.85**	**218.51**

Notes to Financial Statements

(b) Defined benefits plan :

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

The obligations are as under:-

(₹ in lakhs)

Particulars		Gratuity (Funded)	
		2022-23	2021-22
i.	**Change in present value of obligation**		
a.	Present value of obligation at the beginning of the year	6,695.68	6,596.44
b.	Interest cost	483.43	448.56
c.	Current service cost	537.46	517.63
d.	Benefits paid	(781.68)	(682.91)
e.	Actuarial (gain) / loss	87.76	(184.04)
f.	Present value of obligation at the end of the year	7,022.65	6,695.68
ii.	**Change in the fair value of plan assets**		
a.	Fair value of plan assets at the beginning of the year	6,381.92	6,345.69
b.	Expected interest income	460.77	431.51
c.	Actuarial gain/(loss) for the year on asset	(11.17)	240.77
d.	Contributions	624.77	63.12
e.	Mortality, admin and FMC charges	(6.24)	(16.26)
f.	Benefits paid	(781.68)	(682.91)
g.	Actuarial gain / (loss) on plan assets	-	-
h.	Fair value of plan assets at the end of the year	6,668.37	6,381.92
iii.	**Reconciliation of fair value of assets and obligations**		
a.	Fair value of plan assets at the end of the year	6,668.37	6,381.92
b.	Present value of obligation at the end of the year	7,022.65	6,695.68
c.	Amount recognised in the balance sheet	(354.28)	(313.76)
	- Current	(354.28)	(313.76)
	- Non current	-	-
iv.	**Expenses recognised in the statement of profit & loss**		
a.	Current service cost	537.46	517.63
b.	Interest cost	483.43	448.56
c.	Expected return on plan assets	(460.77)	(431.51)
d.	Expenses recognised in the profit & loss	560.12	534.68
v.	**Recognised in other comprehensive income for the year**		
a.	Net cumulative unrecognized actuarial gain/(loss) opening	147.42	(277.38)
b.	Actuarial gain/(loss) for the year on present benefit obligation	(87.76)	184.04
c.	Actuarial gain/(loss) for the year on assets	(11.17)	240.77
d.	Unrecognized actuarial gain/(loss) at the end of the year	48.49	147.43
vi.	**Actuarial assumptions**		
a.	Discount rate (per annum)	7.39%	7.22%
b.	Estimated rate of return on plan assets (per annum)	0.00%	0.00%
c.	Rate of escalation in salary (per annum)	6.50%	6.50%

Notes to Financial Statements

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

(₹ in lakhs)

Particulars	Gratuity (Funded)				
	2022-23	2021-22	2020-21	2019-20	2018-19
Defined benefit obligation	7,022.65	6,695.68	6,596.44	6,841.86	6,291.14
Plan assets	6,668.37	6,381.92	6,345.70	6,404.10	6,336.61
Surplus / (deficit)	(354.28)	(313.76)	(250.74)	(437.76)	45.47

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars		Gratuity (Funded)	
		2022-23	2021-22
a.	Within next twelve months	988.45	830.99
b.	Between one to five years	2,003.82	1,761.82
c.	Between five to ten years	4,030.38	4,102.87

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars		Gratuity (Funded)	
		2022-23	2021-22
a)	**Impact of the change in discount rate**		
	Present value of obligation at the end of the period	7,022.65	6,695.68
(i)	Impact due to increase of 0.50%	(268.41)	(271.47)
(ii)	Impact due to decrease of 0.50%	289.20	293.32
b)	**Impact of the change in salary increase**		
	Present value of obligation at the end of the period	7,022.65	6,695.68
(i)	Impact due to increase of 0.50%	290.30	293.95
(ii)	Impact due to decrease of 0.50%	(271.80)	(274.48)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to Financial Statements

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

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Fund managed by insurer	100%	100%

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars		As at March 31, 2023	As at March 31, 2022
		Rate (%)	Rate (%)
a)	Discount rate	7.36 - 7.38	7.13 - 7.18
b)	Future salary increase*	6.50	6.50
c)	Retirement age (years)	60	60
d)	Ages (withdrawal rate %)		
	- Up to 30 Years	3	3
	- From 31 to 44 Years	2	2
	- Above 44 Years	1	1

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

(h) Mortality rate

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

(i) Defined Benefits Plan : Provident fund

The Company started, from the year ended on March 31, 2021, treating the contribution to the recognised provident fund trust for its employees which is operated by the Company, as a defined benefit plan instead of defined contribution plan being followed hitherto. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (March 31, 2022: ₹ Nil) as worked out by the Company has been allocated to the entity based on the corpus value of the entity as at March 31, 2023.

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1,676.02 lakhs for provident fund during the year ended March 31, 2023 (March 31, 2022: ₹ 1,543.71 lakhs).

The Indian Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 relating to employee benefits during employment and post employment benefits which would impact the contributions by the Company towards

Notes to Financial Statements

Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are notified.

(j) Defined Contribution Plan : Pension

(₹ in lakhs)

Asset/Laibility	2022-23
Present value of obligation	917.12
Fair value of plan assets	-
Net assets / (liability) recognized in balance sheet as provision	917.12

(₹ in lakhs)

The Break down in given below	2022-23
Interest Guarantee Liability	(93.89)
(Shortfall)/Surplus in fund	(823.23)
Net (Shortfall)/ Surplus	917.12

Principal assumptions are as follows

Particulars	As at March 31, 2023 Rate (%)
a) Discount rate	7.32
b) Expected interest rate on the ledger balance	7.47
c) Retirement age (years)	60
d) Ages (withdrawal rate %)	
Up to 30 Years	N/A
From 31 to 44 Years	N/A
Above 44 Years	N/A

NOTE 38 : FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest	3,372.85	1,996.21
Interest on lease liability	89.72	79.70
Other borrowing costs	238.11	190.16
Total	**3,700.68**	**2,266.07**

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property plant & equipment	5,155.59	5,474.04
Depreciation / amortization of right-of-use-assets	539.68	440.43
Amortization of intangible assets	615.78	624.82
Total	**6,311.05**	**6,539.29**

Notes to Financial Statements

NOTE 40 : OTHER EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power & fuel	3,494.25	2,922.61
Other manufacturing expenses	18,365.29	16,090.72
Repairs & maintenance		
-Plant and machinery	1,818.59	1,130.31
-Building	438.72	512.96
-Others	166.27	129.18
Rent	643.84	637.96
Insurance	1,178.80	1,143.13
Rates and taxes	200.63	203.15
Commission to selling agents and others	1,148.81	612.98
Bank charges	1,566.34	2,018.19
Royalty	935.60	1,103.46
Electricity and water charges	698.16	573.97
Donation	2.49	3.76
Office and miscellaneous expenses	9,596.51	8,496.88
Legal and professional charges	694.12	404.67
Provision for expected credit loss	1,804.63	2,818.78
Provision for Impairment	600.00	-
Payment to auditors		
- Statutory audit fees	30.00	20.00
- Other services including certification work	1.49	1.66
- For reimbursement of expenses	5.22	1.59
Packing, forwarding and transportation expenses	9,985.20	9,601.19
Design & technical expenses	8,799.55	5,020.09
Travelling expenses	4,437.56	3,300.36
Loss on current investments carried at fair value through profit or loss	100.25	22.91
Fair value loss on derivatives	243.11	415.97
Managerial remuneration	676.10	497.92
Non executive directors' remuneration / sitting fee	20.21	26.44
Corporate social responsibility (CSR) expenses (refer note 40.1)	435.15	478.16
Loss on property, plant and equipment sold / written off	35.25	47.93
Total	**68,122.14**	**58,236.93**

NOTE 40.1: CORPORATE SOCIAL RESPONSIBILITY

Disclosure related to corporate social responsibility:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Amount required to be spent by the company for the year	435.15	478.16
ii) Amount arising out of previous financial year	160.93	101.12
iii) Amount of expenditure incurred	560.08	418.35
iv) Shortfall at the end of the year	36.00	160.93
v) Total of previous years shortfall	36.00	-

Notes to Financial Statements

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

vii) Nature of CSR activities -

a) Covid-19 related expenses - Medical Oxygen Gas Generator Plant, supply of Oxygen Concentrators and Oxygen Gas Cylinders to Hospitals

b) Promoting Education & Ensuring Environmental Sustainability - Providing Solar Power Systems and Rain Water Harvesting Systems to Schools, providing Training and Skill Development to Apprentice

viii) Details of related party transactions :

a) Contribution during the year ending March 31, 2023 - Nil (Previous year Nil)

b) Payable as at March 31, 2023 - Nil (Previous year Nil)

ix) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

NOTE 41 : TAX EXPENSE (IND AS 12)

A. Income tax expense

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Current tax		
Current tax on profit for the year	6,385.29	4,420.50
Adjustments for current tax of prior periods	-	-
Total current tax expenses	**6,385.29**	**4,420.50**
(b) Deferred tax		
Decrease/(Increase) in Deferred Tax Assets	(740.05)	(791.81)
(Decrease)/Increase in Deferred Tax Liabilities	1.98	(204.31)
Total deferred tax expense	**(738.07)**	**(996.12)**
Total income tax expense	**5,647.22**	**3,424.38**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before income tax	23,439.54	14,706.27
Statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	5,899.26	3,701.27
Additional deduction allowed in Income Tax Act for certain expenditure	-	(73.13)
Expenditure for which deduction is not allowed under Income Tax Act	157.41	145.69
Differential tax rate on fair value of investments	25.23	4.47
Differential tax rate on sale of investments	(1.98)	(1.35)
Tax on exempt income	(420.31)	(342.95)
Other deductions	(12.39)	(9.62)
Total	**5,647.22**	**3,424.38**

Notes to Financial Statements

NOTE 42 : EARNINGS PER SHARE (IND AS 33)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
a)	Net profit available to equity shareholders (₹ in lakhs)	17,792.32	11,281.89
b)	Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	7,35,29,510	7,35,29,510
c)	Nominal value of equity share (in ₹)	1.00	1.00
d)	Basic earning per share (in ₹)	24.20	15.34
e)	Diluted earning per share (in ₹)	24.20	15.34

NOTE 43 : CONTINGENT LIABILITIES (IND AS 37)

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Contingent liabilities:			
(to the extend not provided for)			
a)	Claims against the company not acknowledged as debts	3,441.90	2,432.99
b)	Bonds executed in favour of President of India against Export Promotion Capital Goods license and advance authorisation and others	8,534.93	14,839.07

NOTE 44 : CORPORATE GUARANTEES

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
a)	Corporate guarantees given to bank to secure credit facilities given to Isgec Hitachi Zosen Limited	36,464.46	35,426.21
b)	Corporate guarantees given to bank to secure credit facilities given to Isgec Titan Metal Fabricators Private Limited	4,891.32	3,628.31
c)	Corporate guarantees given to bank to secure credit facilities given to Isgec Redecam Enviro Solutions Private Limited	776.58	780.47
d)	SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan Facility to Eagle Press & Equipment Co. Ltd., Canada	4,568.61	3,609.16
e)	SBLC provided by Standard Chartered Bank India out of our Non Fund Based limits to Standard Chartered Bank Philippines to secure Term Loan Facility to Cavite Biofuels Producers Inc	9,354.68	-

NOTE 45 : COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	1,046.03	505.53

Notes to Financial Statements

NOTE 46 : LEASES (IND AS 116)

A. Company as a lessee

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Residential premises	65.59	63.47
b) Commercial premises	574.05	570.77
c) Plant and machinery	4.20	3.72
Total	**643.84**	**637.96**

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Building	1,540.12	796.60
Land	2,339.57	2,421.26
Furniture, fittings and equipment	-	-
Total	**3,879.69**	**3,217.86**

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities		
Current	466.32	334.89
Non-current	1,181.81	579.64
Total	**1,648.13**	**914.53**

The following is the movement in lease liabilities:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**914.53**	**1,017.59**
Additions	1,199.38	245.71
Finance cost accrued during the period	89.72	79.70
Deletions	8.36	-
Payment for leases	547.14	428.47
Balance at the end of the year	**1,648.13**	**914.53**

Notes to Financial Statements

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Less than one year	517.55	384.14
(ii) One to five years	1,273.30	606.86
(iii) More than five years	3.29	55.37
Total	**1,794.14**	**1,046.37**

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

Rental expense recorded for short-term leases was ₹ 643.84 lakhs for the year ended March 31, 2023 (Previous year ₹ 637.96 lakhs).

B. Company as a Lessor

The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' disclosure of a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Not later than one year	2,018.88	2,043.57
(ii) Later than one year and not later than five years	7,386.17	7,586.93
(iii) Later than five years	7,439.14	9,268.55
Total	**16,844.19**	**18,899.05**

NOTE 47 : SEGMENT INFORMATION (IND AS 108)

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

a) Manufacturing of machinery and equipment segment

b) Engineering, procurement and construction segment

Composition of the Segments consists of:

Manufacturing of Machinery & Equipment Segment comprising manufacture of process plant equipments, presses, castings, boiler tubes & panels and containers.

Engineering, Procurement and Construction Segment consists of projects and turnkey solutions for sugar plants, distilleries, power plants, boilers, air pollution control equipments, buildings and factories.

The Segments reported are as per Ind AS 108 "Operating Segments" read with SEBI Circular dated 5th July, 2016. The identification of Operating Segments is consistent with performance assessment by the Management.

In respect of both these Segments for the Company, sales and margins do not accrue uniformly during the year.

Notes to Financial Statements

1 Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	1,27,911.22	25,520.39	1,53,431.61	1,09,803.01	19,730.53	1,29,533.54
Engineering, Procurement and Construction	3,36,615.48	167.30	3,36,782.78	3,34,417.82	1,730.93	3,36,148.75
Unallocated	665.01	-	665.01	225.69	-	225.69
Elimination	-	(25,687.69)	(25,687.69)	-	(21,461.46)	(21,461.46)
Segment Total	**4,65,191.71**	**-**	**4,65,191.71**	**4,44,446.52**	**-**	**4,44,446.52**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing of Machinery & Equipment	13,568.44	11,229.39
Engineering, Procurement and Construction	14,296.85	6,354.08
Unallocated	(1,988.82)	(1,568.01)
Operating Profit Before Interest and Tax	**25,876.47**	**16,015.46**
Less: Interest Expense	(3,462.57)	(2,075.91)
Add: Interest Income	1,025.64	766.72
Profit Before Tax	**23,439.54**	**14,706.27**
Tax Expense	(5,647.22)	(3,424.38)
Profit after tax	**17,792.32**	**11,281.89**

3 Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Manufacturing of Machinery & Equipment	1,25,357.66	1,25,054.70	59,508.16	91,022.13
Engineering, Procurement and Construction	3,68,528.58	3,18,641.66	2,78,761.33	2,56,416.31
Unallocated Corporate Assets	43,532.93	1,02,244.94	4,578.77	20,179.65
Total	**5,37,419.17**	**5,45,941.30**	**3,42,848.26**	**3,67,618.09**
Less: Inter Segment Assets/Liabilities	2,063.38	53,851.20	2,063.38	53,851.20
Total	**5,35,355.79**	**4,92,090.10**	**3,40,784.88**	**3,13,766.89**

4 Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing of Machinery & Equipment	4,027.12	4,102.86	4,652.09	5,011.74
Engineering, Procurement and Construction	1,625.48	1,391.80	979.84	940.27
Unallocated	33.25	72.98	221.13	228.57

Notes to Financial Statements

5 Geographical Information

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from external customers		
- Within India	4,01,332.43	4,03,018.02
- Outside India		
Thailand	970.69	1,926.04
Uganda	1,788.38	1,974.71
USA	-	4,947.17
Morocco	6,622.24	-
Vietnam	14,300.51	1,041.70
Bangladesh	8,942.69	2,620.82
Other countries	31,234.77	28,918.05
Total	**4,65,191.71**	**4,44,446.52**

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets		
- Within India	48,982.98	48,898.32
- Outside India	-	-
Total	**48,982.98**	**48,898.32**

c) Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2023 - Nil (Previous year ended March 31, 2022 - Nil)

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

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	1,27,911.22	1,09,803.01
Revenue from Engineering, Procurement and Construction	3,36,615.48	3,34,417.82
Others	665.01	225.69
Total revenue from sale of services or goods	**4,65,191.71**	**4,44,446.52**
Revenue from Contracts with Customers		
Revenue from Customers based in India	4,01,332.43	4,03,018.02
Revenue from Customers based outside India	63,859.28	41,428.50
Total Revenue from Contracts with Customers	**4,65,191.71**	**4,44,446.52**
Timing of Revenue Recognition		
Goods and services transferred over time	3,36,615.48	3,34,417.82
Goods and services transferred at a point in time	1,28,576.23	1,10,028.70
	4,65,191.71	**4,44,446.52**

Notes to Financial Statements

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	2,85,775.16	2,46,584.61
Contract assets	48,847.45	48,148.78
Contract liabilities	1,32,546.63	1,20,373.48

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 5,431.14 lakhs was recognised as provision for expected credit losses on trade receivables. (previous year ₹ 4,832.62 lakhs)

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amounts included in contract liabilities at the beginning of the year	1,20,373.48	1,14,236.61
Amount received against contract liability during the year	1,50,206.33	1,29,113.06
Performance obligations satisfied during the year	1,38,033.18	1,22,976.19
Amounts included in contract liabilities at the end of the year	1,32,546.63	1,20,373.48

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Disclosure of the entity's remaining performance obligations:		
(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	6,51,424.45	5,61,859.15
(b) When the entity expects to recognise as revenue		
Within one year	59.47%	65.26%
Within two years	35.21%	28.18%
Within five years	5.32%	5.91%
Thereafter	0.00%	0.65%

Notes to Financial Statements

NOTE 49 : DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES

A. List of Related Party

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2023	As at March 31, 2022
(i)	**Holding Company**	**None**		
(ii)	**Subsidiaries**			
1	Saraswati Sugar Mills Limited	India	100	100
2	Isgec Covema Limited	India	100	100
3	Isgec Exports Limited	India	100	100
4	Isgec Engineering & Projects Limited	India	100	100
5	Freelook Software Private Limited	India	100	100
6	Eagle Press & Equipment Co. Limited	Canada	100	100
7	Isgec Investments PTE Ltd	Singapore	100	100
8	Isgec Hitachi Zosen Limited	India	51	51
9	Isgec SFW Boilers Private Limited	India	51	51
10	Isgec Titan Metal Fabricators Private Limited	India	51	51
11	Isgec Redecam Enviro Solutions Private Limited	India	51	51
	Stepdown subsidiaries of :			
	- Eagle Press & Equipment Co. Limited			
a)	Eagle Press America Inc.	USA		
b)	2197375 Ontario Inc.	Canada		
	- Isgec Investments PTE Ltd			
a)	Bioeq Energy Holdings One	Cayman Islands		
b)	Bioeq Energy Pte. Ltd.	Singapore		
c)	Bioeq Energy B.V	Netherlands		
d)	Bioeq Energy Holdings Corp.	Phillipines		
e)	Bukid Verde Inc.	Philippines		
f)	Cavite Biofuels Producers Inc.	Philippines		
(iii)	**Associates**			
	Stepdown associate of Bioeq Energy Holdings Corp.			
1	Penwood Project Land Corp.	Philippines		
(iv)	**Entities over which key management personnel can exercise significant influence**			
1	Yamuna Syndicate Ltd.			
2	N. A. Cold Storages Private Limited			
3	Kamla Puri Charitable Trust			
4	Kamla Puri Charitable Foundation			
5	Blue Water Enterprises			

Notes to Financial Statements

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2023	As at March 31, 2022
(v)	**Key Management Personnel**	**Designation**		
1	Mr. Aditya Puri	Managing Director		
2	Mr. Ranjit Puri	Chairman and non executive director		
3	Mr. Sidharth Prasad	Non Executive Independent Director		
4	Mr. Vishal Kirti Keshav Marwaha	Non Executive Independent Director		
5	Mrs. Shivani Hazari	Non Executive Director (resigned with effect from March 12, 2022)		
6	Mrs. Rashi Sikka	Non Executive Independent Director (with effect from May 28, 2022)		
7	Mr. Arvind Sagar	Non Executive Independent Director (with effect from June 28, 2021)		
8	Mr. Sudershan Kumar Khorana	Company Secretary (retired with effect from June 1, 2022)		
9	Ms. Shweta Aggarwal	Company Secretary (Appointed as Company Secretary w.e.f June 1, 2022 and resigned w.e.f. November 15, 2022)		
10	Mr. Sachin Saluja	Company Secretary (Appointed as Company Secretary w.e.f November 15, 2022)		
11	Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer (whole-time-director with effect from June 28, 2021)		
12	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units (with effect from June 28, 2021)		
(vi)	**Relative of Key Management Personnel**			
	Mrs. Nina Puri			
(vii)	**Trust for post employment benefit**	**Principal place of operation /Country of incorporation**	**Principal Activities**	
1	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust	
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
3	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
5	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust	
6	Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust	
7	Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust	

Notes to Financial Statements

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

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2022-23	2021-22
1	**Purchase of goods**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	33.54	14.18
	Isgec Hitachi Zosen Limited	155.36	2,049.69
	Isgec Titan Metal Fabricators Pvt. Ltd.	71.91	242.49
	Isgec Redecam Enviro Solutions Pvt. Ltd.	278.01	1,941.40
	Eagle Press & Equipment Co. Limited	-	-
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	301.54	146.71
	Total	**840.36**	**4,394.47**
2	**Sale of goods**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	1,438.18	2,282.38
	Isgec Covema Limited	0.48	-
	Isgec Hitachi Zosen Limited	375.96	1.43
	Isgec Titan Metal Fabricators Pvt. Ltd.	80.89	38.98
	Eagle Press & Equipment Co. Limited	179.66	286.75
	Cavite Biofuels Producers Inc.	53.55	-
	Total	**2,128.72**	**2,609.54**
3	**Purchase of fixed Assets**		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	-	11.14
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	4.10	6.05
	Total	**4.10**	**17.19**
4	**Rendering of services**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	161.52	160.12
	Isgec Covema Limited	60.00	240.00
	Isgec Hitachi Zosen Limited	662.18	705.06
	Isgec SFW Boilers Pvt. Ltd.	74.00	74.48
	Isgec Titan Metal Fabricators Pvt. Ltd.	237.86	174.54
	Isgec Redecam Enviro Solutions Pvt. Ltd.	109.74	109.74
	Isgec Investments PTE Ltd	175.52	-
	Eagle Press & Equipment Co. Limited	110.75	-
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	2.56	12.00
	Total	**1,594.13**	**1,475.94**

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2022-23	2021-22
5	**Services received**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	152.03	127.56
	Isgec Hitachi Zosen Limited	182.63	102.84
	Isgec SFW Boilers Pvt. Ltd.	13.82	54.93
	Isgec Titan Metal Fabricators Pvt. Ltd.	1.47	-
	Eagle Press & Equipment Co. Limited	-	1.86
	Total	**349.95**	**287.19**
6	**Rent received**		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	1,840.15	2,835.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	155.00	155.00
	Isgec Covema Limited	0.36	0.36
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	3.00	3.00
	- Key Management Personnel		
	Mr. Aditya Puri	30.00	11.25
	Total	**2,028.51**	**3,004.61**
7	**Rent paid**		
	- Subsidiary		
	Isgec Engineering & Projects Limited	8.64	8.64
	Saraswati Sugar Mills Limited	-	14.24
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	76.98	69.98
	- Relative of Key Management Personnel		
	Mrs. Nina Puri	33.00	33.00
	Total	**118.62**	**125.86**
8	**Interest income**		
	- Subsidiary		
	Isgec Investments PTE Ltd	403.66	245.59
	Eagle Press & Equipment Co. Limited	246.42	161.86
	Total	**650.08**	**407.45**
9	**Reimbursement received for resources utilisation**		
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	0.50	-
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	12.60	6.19
	Isgec Titan Metal Fabricators Pvt. Ltd.	338.88	180.70
	Total	**351.98**	**186.89**
10	**Dividend received**		
	- Subsidiary		
	Saraswati Sugar Mills Limited	1,419.98	1,064.99
	Isgec Hitachi Zosen Limited	51.00	102.00
	Isgec SFW Boilers Pvt. Ltd.	71.40	61.20
	Isgec Titan Metal Fabricators Pvt. Ltd.	127.50	127.50
	Total	**1,669.88**	**1,355.69**

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2022-23	2021-22
11	**Dividend paid**		
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	661.70	330.85
	N. A. Cold Storages Private Limited	30.01	15.00
	- Key Management Personnel		
	Mr. Ranjit Puri	131.84	65.92
	Mr. Aditya Puri	91.36	45.68
	Mrs. Nina Puri	3.18	1.59
	Mr. Sudershan Kumar Khorana	0.37	0.19
	Mr. Kishore Chatnani	0.01	0.01
	Total	**918.47**	**459.24**
12	**Provision for Expected credit losses**		
	- Subsidiary		
	Cavite Biofuels Producers Inc.	831.77	3,080.24
	Isgec Investments PTE Ltd	76.62	-47.54
	Eagle Press & Equipment Co. Limited	274.35	107.12
	Total	**1,182.74**	**3,139.82**
13	**Provision for Impairment on investments**		
	- Subsidiary		
	Eagle Press & Equipment Co. Limited	594.80	-
	Isgec Investments PTE Ltd	5.20	-
	Total	**600.00**	**-**
14	**Loans given**		
	- Subsidiary		
	Isgec Investments PTE Ltd	992.56	2,077.48
	Eagle Press & Equipment Co. Limited	465.66	2,468.90
	Total	1,458.22	4,546.38
15	**Guarantees given**		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	2,722.50	4,004.72
	Isgec Titan Metal Fabricators Pvt. Ltd.	2,000.00	-
	Cavite Biofuels Producers Inc.	9,354.68	-
	Total	14,077.18	4,004.72
16	**Key management personnel compensation ^**		
	Mr. Aditya Puri	679.07	500.00
	Mr. Sudershan Kumar Khorana	31.80	70.06
	Mr. Kishore Chatnani	143.64	114.85
	Mr. Sanjay Gulati	101.57	80.93
	Ms. Shewta Agarwal	17.83	11.85
	Mr. Sachin Saluja	13.82	-
	Total	**987.73**	**777.69**
	^ The post employment benefits exclude provision for gratuity and leave encashment which can not be separately identified from the composite amount as advised by the actuary.		

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2022-23	2021-22
17	**Key management personnel remuneration / sitting fees**		
	Mr. Ranjit Puri	4.55	5.45
	Mrs. Nina Puri	-	2.06
	Mr. Sidharth Prasad	4.95	6.25
	Mr. Vishal Kirti Keshav Marwaha	2.65	5.95
	Mrs. Shivani Hazari	-	3.44
	Mrs. Rashi Sikka	3.31	-
	Mr. Arvind Sagar	4.75	3.29
	Total	**20.21**	**26.44**
18	**Contribution to trust for post employment benefit**		
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,239.24	1,092.15
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	572.13	92.09
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	48.02	3.90
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	15.09	0.10
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	-	0.12
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	37.90	39.55

C. Amount due to / from related parties

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2023	As at March 31, 2022
1	**Amount payable as at year end**		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	5.53	225.13
	Isgec Titan Metal Fabricators Pvt. Ltd.	5.59	52.26
	Isgec Redecam Enviro Solutions Pvt. Ltd.	87.65	574.03
	Saraswati Sugar Mills Limited	971.33	5.33
	Isgec SFW Boilers Pvt. Ltd.	11.64	8.89
	Eagle Press & Equipment Co. Limited	-	-
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	1.28	4.65
	- Key management personnel		
	Mr. Aditya Puri (Managing Director)	530.63	362.61
	Mr. Sanjay Gulati (Wholetime Director)	6.69	1.54
	Mr. Ranjit Puri (Chairman)	0.23	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Shivani Hazari	-	0.21

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2023	As at March 31, 2022
	Mrs. Rashi Sikka	0.19	-
	Mr. Arvind Sagar	0.23	0.17
	- Relative of Key Management Personnel		
	Mrs. Nina Puri	1.80	1.85
	Total	**1,623.25**	**1,237.36**
2	**Amount receivable as at year end**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	1,143.94	1,709.90
	Isgec Hitachi Zosen Limited	1,761.90	62.43
	Isgec SFW Boilers Pvt. Ltd.	20.34	20.64
	Isgec Titan Metal Fabricators Pvt. Ltd.	277.92	52.91
	Isgec Redecam Enviro Solutions Pvt. Ltd.	76.53	185.49
	Eagle Press & Equipment Co. Limited	674.28	256.73
	Isgec Investments PTE Ltd	826.52	378.33
	Isgec Covema Limited	0.11	64.91
	Cavite Biofuels Producers Inc.	31,656.90	25,432.67
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	17.12	19.90
	Total	**36,455.56**	**28,183.91**
3	**Provision for expected credit losses outstanding**		
	- Subsidiary		
	Cavite Biofuels Producers Inc.	4941.74	4109.97
	Isgec Investments PTE Ltd	318.20	241.58
	Eagle Press & Equipment Co. Limited	441.85	167.50
	Total	**5,701.79**	**4,519.05**
4	**Investment as at year end**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	7,009.99	7,009.99
	Isgec Covema Limited	200.00	200.00
	Isgec Exports Limited	10.00	10.00
	Isgec Engineering & Projects Limited	400.00	400.00
	Freelook Software Private Limited	1,306.45	1,306.45
	Eagle Press & Equipment Co. Limited	2,643.05	2,643.05
	Isgec Investments PTE Ltd	5.20	5.20
	Isgec Hitachi Zosen Limited	5,100.00	5,100.00
	Isgec SFW Boilers Private Limited	102.00	102.00
	Isgec Titan Metal Fabricators Private Limited	51.00	51.00
	Isgec Redecam Enviro Solutions Private Limited	102.00	102.00
	Total	**16,929.69**	**16,929.69**

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2023	As at March 31, 2022
5	**Provision for impairment outstanding**		
	- Subsidiary		
	Eagle Press & Equipment Co. Limited	594.80	-
	Isgec Investments PTE Ltd	5.20	-
	Total	**600.00**	**-**

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

(₹ in lakhs)

S. no	Name of the Company	Balance as at	
		March 31, 2023	March 31, 2022
	Guarantees given on behalf of subsidiaries:		
1	Isgec Hitachi Zosen Limited	54,910.00	52,187.50
2	Isgec Titan Metal Fabricators Private Limited	7,950.00	5,950.00
3	Isgec Redecam Enviro Solutions Private Limited	2,000.00	2,000.00
	Securities given on behalf of subsidiaries:		
4	Eagle Press & Equipment Co. Limited	5,985.56	6,517.80
5	Cavite Biofuels Producers Inc.	9,354.68	-

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

(₹ in lakhs)

S.no	Name of the Company	Balance as at		Maximum outstanding during the year ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Loans given to subsidiaries:				
1	Isgec Investments PTE Ltd	6,239.19	5,246.63	6,239.19	5,246.63
2	Eagle Press & Equipment Co. Limited	4,095.06	3,629.40	4,095.06	3,629.40

F. Terms and conditions

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

Notes to Financial Statements

NOTE 50 : FAIR VALUE MEASUREMENT (IND AS 113)

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset						
Investments						
-Investments in mutual funds	-	-	-	-	9,900.22	-
-Other investments	-	1,660.48	-	-	1,971.34	-
Trade receivables - current	2,78,817.91	-	-	2,27,909.69	-	-
Trade receivables - non current	6,957.25	-	-	18,674.92	-	-
Loans	12,083.32	-	-	9,924.60	-	-
Cash and cash equivalents	12,214.64	-	-	6,594.93	-	-
Bank balances	1,406.90	-	-	1,228.48	-	-
Foreign currency forward contracts	-	130.09	-	-	164.27	-
Others financial assets	3,650.31	-	-	2,732.10	-	-
Total Financial Assets	**3,15,130.33**	**1,790.57**	**-**	**2,67,064.72**	**12,035.83**	**-**
Financial Liabilities						
Borrowings	44,677.42	-	-	43,365.61	-	-
Trade payables	1,33,132.21	-	-	1,22,172.74	-	-
Forward contracts	-	130.09	-	-	164.27	-
Lease liability	1,648.13	-	-	914.53	-	-
Other financial liabilities	5,911.22	-	-	5,609.75	-	-
Total Financial Liabilities	**1,85,368.98**	**130.09**	**-**	**1,72,062.63**	**164.27**	**-**

* FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

(i) Fair value hierarchy

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

Notes to Financial Statements

(₹ in lakhs)

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

Notes to Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2023	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets at fair value through profit or loss				
Financial assets				
Investments				
-Investments in mutual funds	-	-	-	-
-Other investments	1,660.48	-	1,660.48	-
Foreign currency forward contracts	130.09	-	130.09	-
Total	**1,790.57**	**-**	**1,790.57**	**-**
Financial liabilities				
Forward contracts	130.09	-	130.09	-
Total	**130.09**	**-**	**130.09**	**-**
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2023				
Financial Assets				
Loan to Employees	384.59	-	-	384.59
Loan to subsidiary company	10,334.25	-	-	10,334.25
Security Deposit	2,465.31	-	-	2,465.31
Total	**13,184.15**	**-**	**-**	**13,184.15**
Financial Liabilities				
Borrowings	44,677.42	-	-	44,677.42
Lease liability	1,648.13	-	-	1,648.13
Other financial liabilities	111.59	-	-	111.59
Total	**46,437.14**	**-**	**-**	**46,437.14**

(ii) Valuation techniques used to determine fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

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

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

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

Notes to Financial Statements

NOTE 51 : FINANCIAL RISK MANAGEMENT

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

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

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

(a) Interest rate risk

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

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	43,321.00	42,180.48
Fixed rate borrowings	-	-
Total	**43,321.00**	**42,180.48**

Interest on discounting of bills by suppliers ,current year ₹ 1,356.42 lakhs (Previous year ₹ 1,185.13 lakhs) is not chargeable to the company.

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

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Variable rate borrowings	7.68	43,321.00	100.00	5.05	42,180.48	100.00
Net exposure to cash flow interest rate risk		43,321.00			42,180.48	

(iii) Sensitivity

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

(₹ in lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
INR	+50	+50	216.61	210.90
	- 50	- 50	(216.61)	(210.90)

Notes to Financial Statements

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and the Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

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

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

(₹ in lakhs)

Particulars	Against exposure in			
Foreign currency exposure as at March 31, 2023	**USD**	**Euro**	**Others**	**Total**
Trade receivables	39,729.64	3,430.64	754.34	43,914.62
Other receivables *	16,759.74	-	-	16,759.74
Loans and other advances	-	-	11,458.29	11,458.29
Bank balances in current accounts and term deposits accounts	-	0.01	8.14	8.15
Trade payables	3,942.65	2,192.06	77.93	6,212.64
Hedged Portion	27,389.89	5,503.58	679.37	33,572.84
Net Exposure to foreign currency risk	33,042.14	119.13	11,619.33	44,780.60
SBLC Provided by HSBC india to HSBC canada to secure Term Loan & working capital facilities to its subsidiay company Eagele Press & Equipment Co. Ltd., Canada	-	-	5,985.56	5,985.56
SBLC provided by Standard Chartered Bank India out of our Non Fund Based limits to Standard Chartered Bank Philippines to secure Term Loan Facility to Cavite Biofuels Producers Inc	-	-	9,354.68	9,354.68
Foreign currency exposure as at March 31, 2022	**USD**	**Euro**	**Others**	**Total**
Trade receivables	36,235.99	3,152.66	598.31	39,986.96
Other receivables *	15,458.96	-	-	15,458.96
Loans and other advances	-	-	9,310.00	9,310.00
Bank balances in current accounts and term deposits accounts	1.35	0.01	8.34	9.70
Trade payables	3,549.53	1,652.97	559.97	5,762.47
Hedged Portion	25,850.99	4,805.63	1,148.44	31,805.06
Net Exposure to foreign currency risk	29,394.84	0.01	9,328.18	38,723.03
SBLC Provided by HSBC india to HSBC canada to secure Term Loan & working capital facilities to its subsidiay company Eagele Press & Equipment Co. Ltd., Canada	-	-	6,517.80	6,517.80

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

Notes to 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	2022-23		2021-22	
	1% increase	1% decrease	1% increase	1% decrease
USD	330.42	(330.42)	293.95	(293.95)
Euro	1.19	(1.19)	-	-
Others	116.19	(116.19)	93.28	(93.28)

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 provided mainly to the subsidiaries and to employees which have very minimal risk because of the nature of such loans.

Notes to 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
As at March 31, 2021					
Gross Carrying Amount	1,71,699.82	47,665.04	2,140.04	32,360.52	2,53,865.42
Expected Credit Loss	-	-	19.39	2,054.52	2,073.91
Carrying Amount (net of impairment)	1,71,699.82	47,665.04	2,120.65	30,306.00	2,51,791.51
As at March 31, 2022					
Gross Carrying Amount	1,85,289.37	28,940.42	3,645.40	33,542.04	2,51,417.23
Expected Credit Loss	-	137.34	48.52	4,646.76	4,832.62
Carrying Amount (net of impairment)	1,85,289.37	28,803.08	3,596.88	28,895.28	2,46,584.61
As at March 31, 2023					
Gross Carrying Amount	1,99,508.83	51,073.11	4,937.39	35,686.97	2,91,206.30
Expected Credit Loss	39.46	284.31	72.12	5,035.26	5,431.14
Carrying Amount (net of impairment)	1,99,469.37	50,788.80	4,865.27	30,651.71	2,85,775.16

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

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

(₹ in lakhs)

Particulars	ECL for Trade Receivables	ECL for Loan to Subsidiary Company *	ECL for advance to suppliers	ECL for unbilled revenue	ECL for guarantee liabilities	Total
As at March 31, 2021	**2,073.91**	**349.00**	**-**	**-**	**-**	**2,422.91**
Provided during the year	2,758.71	60.08	-	-	-	2,818.79
Amounts written off	-	-	-	-	-	-
Reversal of provisions	-	-	-	-	-	-
As at March 31, 2022	**4,832.62**	**409.08**	**-**	**-**	**-**	**5,241.70**
Provided during the year	598.52	117.97	335.00	43.05	710.09	1,804.63
Amounts written off	-	-	-	-	-	-
Reversal of provisions	-	-	-	-	-	-
As at March 31, 2023	**5,431.14**	**527.05**	**335.00**	**43.05**	**710.09**	**7,046.33**

* Refer Note 7, 19 and 24

III. Liquidity Risk

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

Notes to Financial Statements

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, 2023	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	44,677.42	29,321.07	15,356.35	-	44,677.42
Trade payables	1,33,132.21	-	1,33,132.21	-	1,33,132.21
Lease liability	1,648.13	-	466.32	1,181.81	1,648.13
Other Liabilities	6,041.31	-	5,929.72	111.59	6,041.31
Total	**1,85,499.07**	**29,321.07**	**1,54,884.60**	**1,293.40**	**1,85,499.07**

(₹ in lakhs)

As at March 31, 2022	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	43,365.61	22,180.56	11,185.09	9,999.96	43,365.61
Trade payables	1,22,172.74	-	1,22,172.74	-	1,22,172.74
Lease liability	914.53	-	334.89	579.64	914.53
Other Liabilities	5,774.02	-	5,655.35	118.67	5,774.02
Total	**1,72,226.90**	**22,180.56**	**1,39,348.07**	**10,698.27**	**1,72,226.90**

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, 2023	As at March 31, 2022
Bank overdraft and other facilities	26,678.93	37,819.44

NOTE 52 : CAPITAL MANAGEMENT

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	44,677.42	43,365.61
Less: Cash & cash equivalent	12,214.64	6,594.93
Less: investments in liquid mutual funds	-	9,900.22
Net Debt	32,462.78	26,870.46
Total Equity	1,94,570.91	1,78,323.21
Total Equity and Net Debt	2,27,033.69	2,05,193.67
Net debt to equity plus debt ratio (Gearing Ratio)	**14.3%**	**13.1%**

Notes-

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

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

Notes to Financial Statements

(b) Loan Covenants

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

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

(C) Dividends

(₹ in lakhs)

Particulars	Recognized in the year ending	
	March 31, 2023	March 31, 2022
(i) Dividends Recognized		
Dividend for the year ended March 31, 2022 ₹ 2/- per equity share of ₹ 1/- each	1470.59	735.30
(for the year ended March 31, 2021 ₹ 1/ per equity share of ₹ 1/- each)		
Interim dividend during the year ended March 31, 2023 ₹ NIL/- per equity share of ₹ 1/- each	-	-
(during the year ended March 31, 2022 ₹ NIL/- per equity share of ₹ 1/- each)		
(ii) Dividend proposed but not recognised in the books of accounts *		
The Board of Directors have recommended the payment of a final dividend of ₹ 3/- per equity share of ₹ 1/- each	2,205.89	1470.59
(March 31, 2022 ₹ 2/- per equity share of ₹ 1/- each)		

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

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

(₹ in lakhs)

Sr. No.	Nature of the transaction (Loans given/Guarantee given/Security Provided/Investments made)	Purpose for which the loan/guarantee/ security is utilised by the recipient	As at March 31, 2023	As at March 31, 2022
1	**Guarantees Given to Banks for Subsidiary and Joint Venture Companies:**			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	54,910.00	52,187.50
	Isgec Titan Metal Fabricators Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	7,950.00	5,950.00
	Isgec Redecam Enviro Solutions Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
	Total		**64,860.00**	**60,137.50**

Notes to Financial Statements

(₹ in lakhs)

Sr. No.	Nature of the transaction (Loans given/Guarantee given/Security Provided/Investments made)	Purpose for which the loan/guarantee/ security is utilised by the recipient	As at March 31, 2023	As at March 31, 2022
2	**Guarantees Given to Wholly Owned Subsidiary Companies:**			
	Eagle Press & Equipment Co. Ltd, Canada	SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan and Working Capital Credit Facilities to Eagle Press & Equipment Co. Ltd., Canada	5,985.56	6,517.80
	Cavite Biofuels Producers Inc Philippines	SBLC provided by Standard Chartered Bank India out of our Non Fund Based limits to Standard Chartered Bank Philippines to secure Term Loan Facility to Cavite Biofuels Producers Inc	9,354.68	-
	Total		**15,340.24**	**6,517.80**
3	**Loans to Subsidiaries :**	**Purpose of loan**		
	Isgec Investments PTE Ltd. Singapore	To meet expenses of Subsidiary Company	6,239.19	5,246.63
	Eagle Press & Equipment Co. Ltd. Canada	For Capital Expenditure and Working Capital Facility	4,095.06	3,629.40
	Total		**10,334.25**	**8,876.03**

(₹ in lakhs)

4	Investment	Face Value (₹ per Share / Unit)	No. of Shares/ Units	As at March 31, 2023	As at March 31, 2022
	Equity Shares of Subsidiary Companies (At cost) :				
	Isgec Covema Limited	10	2000000	200.00	200.00
	Isgec Exports Limited	10	100000	10.00	10.00
	Isgec Engineering & Projects Limited	10	4000000	400.00	400.00
	Saraswati Sugar Mills Limited	10	7099900	7,009.99	7,009.99
	Freelook Software Private Limited	10	24650	1,306.45	1,306.45
	Eagle Press & Equipment Co. Ltd. Canada	CAD 1	4500000	2,643.05	2,643.05
	Isgec Investments PTE Ltd. Singapore	SGD 1	10000	5.20	5.20
	Isgec Hitachi Zosen Limited	10	51000000	5,100.00	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited	10	1020000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	1020000	102.00	102.00
	Total :			**16,929.69**	**16,929.69**
	Grand Total :			**1,07,464.18**	**92,461.02**

Notes to Financial Statements

NOTE 54 : RATIO ANALYSIS

	Ratios	Numerator	Denominator	FY 2022-2023	FY 2021-2022	Percentage variance	Explanation for any change in the ratio by more than 25% as compared to the preceding year
1	Current Ratio	Current assets	Current liabilities	1.41	1.42	-0.70	-
2	Debt-Equity Ratio	Total debt = Long term borrowings + Short term borrowings	Shareholder's equity	0.23	0.24	-4.17	
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	2.35	8.44	-72.16	Due to increase in repayment of Term loan of ₹ 9,999.96 lakhs
4	Return on Equity Ratio	Net profit after tax*	Average shareholder's equity	2.39%	1.63%	46.36	Refer comment given for ratios at point no 9 and 10
5	Inventory Turnover Ratio	Sale of product	Average inventory	6.87	7.69	-10.60	
6	Trade Receivables Turnover Ratio	Revenue from operation	Average trade receivables	1.78	1.80	-1.12	
7	Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	2.88	2.71	6.28	
8	Net Capital Turnover Ratio	Revenue from operation	Average working capital	3.76	3.81	-1.29	
9	Net Profit Ratio	Net profit after tax*	Revenue from operation	3.82%	2.54%	50.58	Profitability has improved due to (a) Execution of orders with better margins (b) Increased export revenue where margins are better (c) Reduction in prices of steel, copper, aluminium and nickel, which peaked in the previous year, came down to the normal level.
10	Return on Capital Employed	Profit before interest and tax	Total equity + long term borrowings + Deferred tax liability	13.95%	9.01%	54.81	
11	Return on Investment	Income on Investment = Interest income on loans and deposits, dividends, capital gain on alternate investment funds	Average of Non-current & Current Investments, Loans to subsidiaries and Fixed Deposits	7.71%	6.67%	15.57	

* Profit after tax before other comprehensive income

Notes to Financial Statements

NOTE 55 : OTHER STATUTORY INFORMATION

(i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) There is no Immovable Properties Title deeds of those are not held in the name of the Company.

(ix) The company has no investment property and accordingly its fair valuation is not required at year end.

(x) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.

(xi) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are :

a. repayable on demand; or

b. without specifying any terms or period of repayment.

(xii) The company has not defaulted on loan from any bank or financial Institution or other lender

(xiii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable

(xiv) The company has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the company, and quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts without any material discrepencies.

(xv) The company is not declared willful defaulter by any bank or financial institution or other lender.

(xvi) The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

(xvii) The company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

Notes to Financial Statements

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

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 31, 2023)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	239.02	47.75	93.68	29.79	410.24
ii) Projects temporarily suspended	-	-	-	-	-
Total					**410.24**

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 31, 2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	709.54	93.68	29.79	2.13	835.14
ii) Projects temporarily suspended	-	-	-	-	-
Total					**835.14**

No project in capital work-in-progress as on March 31,2022 and March 31,2023 has become overdue nor its cost has exceeded compared to its original plan.

NOTE 55.2 : INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE

(₹ in lakhs)

Particulars	Amount in Intangible assets under development for a period of (as at March 31, 2023)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	1,257.22	-	-	-	1,257.22
ii) Projects temporarily suspended	-	-	-	-	-
Total					**1,257.22**

(₹ in lakhs)

Particulars	Amount in Intangible assets under development for a period of (as at March 31, 2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-
Total					**-**

No project in Intangible assets under development aging schedule as on March 31,2022 and March 31,2023 has become overdue nor its cost has exceeded compared to its original plan.

Notes to Financial Statements

NOTE 56 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & wages	224.93	180.29
Contribution to Provident & other Funds	11.25	9.69
Others	75.56	21.66
Total	**311.74**	**211.64**

NOTE 57 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under :-

Sr. No.	Particulars	Description	
a)	**Products covered for Cost Audit**	Ingots and Manufactured items of Engineering Machinery	
b)	**Full Particulars of Cost Auditor**	M/s Gopinathan Mohandas & Co.	
		Cost Accountants	
		HIG, G-11A, Sector-23, Rajnagar,	
		Ghaziabad, Uttar Pradesh - 201 002	
c)	**Filing of Cost Audit Report**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	i) Due Date of Filing of Cost Audit Report	27.09.2023	27.09.2022
	ii) Actual Date of Filing Cost Audit Report	Not Yet Due	13.09.2022

Note 58 : Contribution to political parties during the year 2022-23 is ₹ Nil (previous year: ₹ Nil)

Note 59 : Previous year figures have been regrouped/recasted whereever necessary to make them comparable as per requirments of amended Schedule III.

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

CA. Abhinav Khosla
Partner
M.No.087010

Place : Noida
Dated : May 29, 2023

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

Sachin Saluja
Company Secretary
M.No. A24269

Kishore Chatnani
Whole-time Director and Chief Financial Officer
DIN: 07805465

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Independent Auditor's Report

To the Members of
Isgec Heavy Engineering Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS Financial Statements of **Isgec Heavy Engineering Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, and their consolidated profit and other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

S. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition for Engineering, Procurement and Construction (EPC) contracts** The Holding Company's significant portion of business is undertaken through EPC contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, "Revenue from Contracts with Customers". Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the Management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects. This method involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts. Refer Note 3.5 to the consolidated Ind AS financial statements.	**Principal Audit Procedures** In the context of our work, the procedures set up in terms of contribution to revenues of EPC contracts consisted of : • Considering the appropriateness of the Holding Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. • Performing testing of the design and implementation of controls over revenue recognition with specific focus on controls over determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations. • Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the Management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and tested the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts. • Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required. • Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the consolidated Ind AS financial statements.

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

In preparing the consolidated Ind AS financial statements, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate of which we are the independent Auditors and whose financial statements we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the Audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTER

We did not audit the financial statements and other financial information in respect of seventeen subsidiaries, whose financial statement reflect total assets of ₹1,19,473 Lakhs as at March 31,2023, the total revenues of ₹22,803 Lakhs, total net loss after tax of ₹4,221 Lakhs, total comprehensive income of ₹(3607) Lakhs and net cash inflow of ₹1921 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹4 Lakhs for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements and other financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose auditor's reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

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

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph, we report, to the extent applicable that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditors.

    (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation for consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

    (e) On the basis of written representations received from the Directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of Group Companies incorporated in India, is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other statutory auditors of subsidiary companies incorporated in India, the remuneration for the year ended March 31, 2023 has been paid/ provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

2) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

4) i) The respective Management of the Holding Company and its subsidiary companies incorporated in India has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources of kinds of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities (" Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries companies incorporated in India ("Ultimate Beneficiaries ") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.

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

iii) Based on such audit procedures performed by us and that performed by auditor of the subsidiary companies that were considered reasonable and appropriate in the circumstances, nothing has come to our notice or other auditor that has caused us or other auditors to believe that the representation under sub-clause (i) and (ii) above contains any material misstatement.

5) The dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Companies Act, 2013.

6) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and the respective auditors of the subsidiaries, which are subsidiaries incorporated in India, included in the consolidated Ind-AS financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports of the said companies included in the consolidated Ind AS financial statements.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN: 23087010BGZFEM4460

Place: Noida
Dated: May 29, 2023

Annexure - A to Independent Auditor's Report

Referred to in Paragraph (1)(f) 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of **Isgec Heavy Engineering Limited** on the Consolidated Ind AS Financial Statements for the year ended March 31, 2023

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Isgec Heavy Engineering Limited** as of and for the year ended March 31, 2023, We have audited the internal financial controls over financial reporting of Isgec Heavy Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiaries which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

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

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN: 23087010BGZFEM4460

Place: Noida
Dated: May 29, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4	84,289.83	86,782.65
(b) Right-of-use assets	4A	4,786.09	4,439.64
(c) Capital work - in - progress		79,221.46	70,153.65
(d) Goodwill	5	1,734.88	2,324.91
(e) Other intangible assets	5	3,776.34	4,106.21
(f) Intangible assets under development		1,257.22	-
(g) Biological assets other than bearer plants	4	154.61	56.16
(h) Investments accounted for using equity method	6	1,675.00	1,590.65
(i) Financial assets			
(i) Loans	7	370.52	311.05
(ii) Trade receivables	8	6,957.25	18,674.92
(iii) Other financial assets	9	2,380.16	2,198.30
(j) Deferred tax assets	10	2,263.40	1,897.84
(k) Other non - current assets	11	2,439.69	1,718.83
Total non-current assets		**191,306.45**	**194,254.81**
(2) Current assets			
(a) Inventories	12	116,384.43	140,344.88
(b) Financial assets			
(i) Investments	13	1,660.49	11,871.56
(ii) Trade receivables	14	281,950.50	215,183.51
(iii) Cash and cash equivalents	15	16,815.27	10,128.00
(iv) Bank balances other than (iii) above	16	4,236.42	3,517.87
(v) Loans	17	854.63	799.95
(vi) Other financial assets	18	5,176.66	2,568.81
(c) Current tax assets	19	1,295.75	1,651.03
(d) Other current assets	20	87,791.64	95,663.78
Total current assets		**516,165.79**	**481,729.39**
Total assets		**707,472.24**	**675,984.20**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	21	735.29	735.29
(b) Other equity	22	229,696.32	211,357.61
Equity attributable to owners of Parent		**230,431.61**	**212,092.90**
Non controlling interest		8,778.12	8,117.11
Total equity		**239,209.73**	**220,210.01**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	43,286.43	46,521.15
(ia) Lease liabilities		2,529.97	2,413.55
(ii) Other financial liabilities	24	6,586.64	3,338.85

Consolidated Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
(b) Provisions	25	7,899.88	5,671.03
(c) Different tax liabilities	10	2,179.43	1,876.06
(d) Other non - current liabilities	26	14,885.66	21,651.37
Total non-current liabilities		**77,368.01**	**81,472.01**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	76,754.17	73,983.30
(ia) Lease liabilities		959.88	400.59
(ii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small enterprises		7,418.41	11,490.00
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		142,288.32	133,036.03
(iii) Other financial liabilities	29	11,319.08	9,317.97
(b) Other current liabilities	30	140,153.04	131,572.11
(c) Provisions	31	10,874.19	14,391.25
(d) Current tax liabilities	19	1,127.41	110.93
Total current liabilities		**390,894.50**	**374,302.18**
Total liabilities		**468,262.51**	**455,774.19**
Total equity & liabilities		**707,472.24**	**675,984.20**

The accompanying notes from 1 to 57 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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M. No.: 087010

Sachin Saluja
Company Secretary
M.No.: A24269

Kishore Chatnani
Whole Time Director and Chief Financial Officer
DIN: 07805465

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2023

Statement of Consolidated Profit and Loss
for the year ended March 31, 2023

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	32	639,903.93	549,934.28
II	Other income	33	1,267.40	1,323.56
III	**Total income (I + II)**		**641,171.33**	**551,257.84**
IV	**Expenses**			
	Cost of materials consumed	34	184,053.67	159,314.76
	Purchase of stock-in-trade	35	180,697.18	200,142.97
	Erection and commissioning expenses		62,252.91	62,268.02
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	36	28,401.22	(19,843.60)
	Employee benefits expense	37	46,255.47	43,302.99
	Finance costs	38	7,298.94	6,515.88
	Depreciation and amortization expense	39	10,429.85	10,135.85
	Other expenses	40	92,783.17	73,613.35
	Total expenses		**612,172.41**	**535,450.22**
V	**Profit / (loss) before share of an associate and tax (III - IV)**		**28,998.92**	**15,807.62**
VI	Share of profit / (loss) of an associate		4.11	2.36
VII	**Profit / (loss) before tax (V + VI)**		**29,003.03**	**15,809.98**
VIII	**Tax expense**	41		
	(1) Current tax		8,502.97	5,078.15
	(2) Deferred tax		(59.58)	(748.58)
	(3) Earlier years tax		5.53	(18.13)
	Total tax expense		**8,448.92**	**4,311.44**
IX	**Profit / (loss) for the year (VII -VIII)**		**20,554.11**	**11,498.54**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment defined benefit plans		(80.06)	464.17
	(b) Equity instruments through other comprehensive income		-	-
	(c) Income tax relating to items that will not be reclassified to profit or loss		23.34	(115.20)
	B (ii) Items that will be reclassified to profit or loss			
	(a) Exchange difference on translation of foreign operation		213.01	(551.17)
	Total other comprehensive income		**156.29**	**(202.20)**
XI	**Total comprehensive income (IX + X) (comprising profit and other comprehensive income for the year)**		**20,710.40**	**11,296.34**
	Profit for the year		**20,554.11**	**11,498.54**
	Attributable to:			
	Owners of the parent		19,649.05	10,881.13
	Non-controlling interests		905.06	617.41
	Other comprehensive for the year		**156.29**	**(202.20)**

Statement of Consolidated Profit and Loss
for the year ended March 31, 2023

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	Attributable to:			
	Owners of the parent		160.24	(203.42)
	Non-controlling interests		(3.95)	1.22
	Total comprehensive income of the year:		**20,710.40**	**11,296.34**
	Attributable to:			
	Owners of the parent		19,809.29	10,677.71
	Non-controlling interests		901.11	618.63
XII	Earnings per equity share (nominal value of ₹ 1/- each) for profit attributable to owners of the parent	42		
	Basic (in ₹)		26.72	14.80
	Diluted (in ₹)		26.72	14.80

The accompanying notes from 1 to 57 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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M. No.: 087010

Sachin Saluja
Company Secretary
M.No.: A24269

Kishore Chatnani
Whole Time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Statement of Consolidated Cash Flows

for the year ended March 31, 2023

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	**29,003.03**	**15,809.98**
	Adjustments :		
	Depreciation and amortization expenses	10,429.85	10,135.85
	(Profit)/Loss on diminution in value of stores and investments	19.06	12.53
	(Gain)/Loss on disposal of property, plant and equipment	(0.07)	(1.98)
	(Gain)/loss on sale of financial instruments	(152.00)	(127.34)
	Change in fair value of financial instruments (investment)	100.25	-
	Income from investments - dividends	(0.13)	-
	Provision for expected credit loss	631.75	(233.00)
	Impairment of goodwill	594.80	-
	Bad debts written off	0.34	3.12
	Liabilities no longer required written back	(444.61)	(1,031.41)
	Interest income	(528.22)	(516.48)
	Amortization of processing fees	40.84	(110.58)
	Finance costs	7,298.94	6,515.88
	Unreallised foreign exchange (gain)/loss	(2,713.56)	(351.38)
	Adjustment for profit / (loss) from associate	(4.11)	(2.36)
	Adjustment due to discounting in warranty provision	(305.38)	35.93
	Cash flow before working capital adjustments	**43,970.78**	**30,138.76**
	Working capital adjustments		
	(Increase) / Decrease in trade receivables	(52,249.06)	(2,750.59)
	(Increase) / Decrease in other receivables	4,077.87	1,531.45
	(Increase)/decrease in inventories	23,941.39	(25,075.96)
	Increase / (Decrease) in trade and other payables	9,202.51	(1,926.19)
	Increase / (Decrease) in payables and provisions	(1,062.89)	(1,550.45)
	Cash flow after working capital requirements	**27,880.60**	**367.02**
	Income tax paid (net of refund)	(7,116.01)	(7,396.92)
	Net cash from / (used in) operating activities	**20,764.59**	**(7,029.90)**
B	**Cash flow from investing activities**		
	Proceeds from sale of property, plant and equipment	151.63	136.49
	Purchase of property, plant and equipment including capital work-in-progress	(14,153.86)	(5,629.57)
	Purchase of intangible assets	(368.63)	(943.38)
	Purchase of intangible assets under development	(1,257.22)	
	Sale/(Purchase) of equity shares/mutual funds	10,262.82	(7,412.05)
	Proceeds from sale of financial instruments	(181.86)	(937.41)
	(Increase)/decrease in other bank balances	(718.55)	-
	Interest income received	501.58	557.43
	Dividend received	0.13	-
	Income received from investment in associates	(80.24)	85.63
	Net cash flow from / (used in) investing activities	**(5,844.20)**	**(14,142.86)**
C	**Cash flow from Financing activities**		
	Dividend paid on equity shares	(1,735.82)	(1,033.48)
	Payments for lease liability	(696.62)	(612.12)
	Finance/interest cost - long term/short term	(5,509.03)	(7,581.21)
	Proceeds from long term borrowings	8,436.58	13,060.42
	Repayment of long term borrowings	(14,677.98)	(2,245.94)
	Proceeds / (repayment) from short term borrowings (net)	4,406.50	15,987.83
	Net cash flow from / (used in) financing activities	**(9,776.37)**	**17,575.50**

Statement of Consolidated Cash Flows

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,144.02**	**(3,597.26)**
Cash and cash equivalents at the beginning of the year	10,128.00	15,454.60
Effect of foreign currency translation	1,543.25	-1,729.34
Cash and cash equivalents at the end of the year	**16,815.27**	**10,128.00**
Components of cash and cash equivalents		
Balances with banks - In current accounts (refer note 15)	16,636.35	9,022.39
Balances with banks - In fixed deposits accounts with original maturity of less than three months (refer note 15)	74.07	944.95
Cheques and drafts on hand (refer note 15)	83.84	141.40
Cash on hand (refer note 15)	21.01	19.26
Cash and cash equivalents	**16,815.27**	**10,128.00**

Notes:

1. Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	120,504.45	94,990.88
Non-cash changes due to		
- Charge of amortization of processing fees	40.84	(110.58)
- Effect of foreign currency translation	1,330.21	(1,178.16)
Cash flows during the year		
- Proceeds from long term borrowings (refer note 23)	8,436.58	13,060.42
- Repayment of long term borrowings (refer note 23)	(14,677.98)	(2,245.94)
- Net Proceeds / (repayment) from short term borrowings, other than current maturities of long term debt (refer note 27)	4,406.50	15,987.83
Closing balance	**120,040.60**	**120,504.45**

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

3. Figures in brackets indicate cash outgo.

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M. No.: 087010

Sachin Saluja
Company Secretary
M.No.: A24269

Kishore Chatnani
Whole Time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Amount
As at April 1, 2021	735.29
Changes during the year	-
As at March 31, 2022	**735.29**
Changes during the Quarter	-
As at March 31, 2023	**735.29**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Attributable to Owners of the Parent									Non controlling interest	Total
	Reserves and Surplus								Total other equity		
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve			
Balance as at April 1, 2021	**14,445.71**	**450.22**	**3.24**	**18,816.93**	**166,265.47**	**109.12**	**12.22**	**1,312.29**	**201,415.20**	**7,777.78**	**209,192.98**
Profit for the year	-	-	-	-	10,878.77	-	-	-	10,878.77	617.41	11,496.18
Share of profit/(loss) of an associate	-	-	-	-	2.36	-	-	-	2.36	-	2.36
Other comprehensive income for the year	-	-	-	-	347.75	-	-	(551.17)	(203.42)	1.22	(202.20)
Total comprehensive income for the year	-	-	-	-	11,228.88	-	-	(551.17)	10,677.71	618.63	11,296.34
Dividend paid	-	-	-	-	(735.30)	-	-	-	(735.30)	(279.30)	(1,014.60)
Balance as at March 31, 2022	**14,445.71**	**450.22**	**3.24**	**18,816.93**	**176,759.05**	**109.12**	**12.22**	**761.12**	**211,357.61**	**8,117.11**	**219,474.72**
Profit for the year	-	-	-	-	19,644.94	-	-	-	19,644.94	905.06	20,550.00
Share of profit/(loss) of an associate	-	-	-	-	4.11	-	-	-	4.11	-	4.11
Other comprehensive income for the year	-	-	-	-	(52.76)	-	-	213.01	160.25	(3.95)	156.30
Total comprehensive income for the year	-	-	-	-	19,596.29	-	-	213.01	19,809.30	901.11	20,710.41
Dividend paid	-	-	-	-	(1,470.59)	-	-	-	(1,470.59)	(240.10)	(1,710.69)
Balance as at March 31, 2023	**14,445.71**	**450.22**	**3.24**	**18,816.93**	**194,884.75**	**109.12**	**12.22**	**974.13**	**229,696.32**	**8,778.12**	**238,474.44**

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M. No.: 087010

Sachin Saluja
Company Secretary
M.No.: A24269

Kishore Chatnani
Whole Time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

Notes to the Consolidated Financial Statements

NOTE 1 : CORPORATE INFORMATION

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

The Group has four segments i.e.(a) Manufacturing of machinery & equipment (b) Engineering, Procurement & Construction, (c) Sugar (d) Ethanol. Manufacture of machinery & equipment comprise manufacture of process plant equipment, mechanical and hydraulic presses, alloy steel and ferrous castings, boiler tubes & panels and containers. Engineering, Procurement & Construction comprise contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants, material handling equipments and air pollution control equipment for customers in India and abroad. Sugar consists of manufacture and sale of sugar and its by-products and Ethanol consists of manufacture and sale of ethanol and its by-products.

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

NOTE 2 : BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2023. Control is achieved when the Company is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

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

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

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

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

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

Consolidation Procedure:

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

Notes to the Consolidated Financial Statements

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

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

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation and Statement of Compliance

These financial statements have been prepared under the provisions of the Companies Act , 2013 ('Act'), Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Act) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period.

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

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The financial statements were authorized for issue by the Group's Board of Directors on May 29, 2023.

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Notes to the Consolidated Financial Statements

Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

3.3 Use of Estimates

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

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

Notes to the Consolidated Financial Statements

a. **Revenue from contracts with customers**

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

b. **Provision for onerous contracts**

The Group provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the likely levels of future cost escalation over time.

c. **Defined benefit plans**

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

d. **Warranty provision**

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumption made in current period are consistent with those in the prior year. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability. Refer Note 25 for further details.

e. **Impairment of financial assets**

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

As a practical expedient, the Group uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The Group follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL.

For Computing the expected credit loss allowance for other financial assets, the probability of default is applied as per default matrix comprises of exposure due, risk ranking of the grades for similar industries, macro-economic parameters relevant to the industry and financial status of the entity involved.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are assessed by an independent registered valuer and are provided for. Refer Note 49 for details of impairment allowances recognised at the reporting date.

Notes to the Consolidated Financial Statements

f. Deferred tax asset recognition

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

g. Legal contingencies

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows.

Management regularly analyses current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the group or the disclosure of any such suit or assertions does not automatically indicate that a provision of a loss may be appropriate.

3.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification as per Group's normal operating cycle and other criteria set out in the Schedule III to the Act. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

Notes to the Consolidated Financial Statements

3.5 Revenue Recognition

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

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

A. Sale of products and services

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

Revenue from services rendered is recognised in the accounting period in which the services are rendered based on the arrangements/ agreements with the concerned parties.

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

B. Revenue from Engineering, Procurement and Construction Contracts

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

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognises revenue on the basis of costs incurred to date compared to total estimated contract costs. The Group uses cost based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts.

Contract Costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract. Generally, the Groupis entering into fixed price contracts with its customers. However, in very few contracts, additional revenue is claimable or revenue is reduced, based on variations in prices of few of key raw material prices such as steel, cement etc. Additional claims are raised on customers for such variations in prices of such materials, on pre-fixed terms and conditions specified in these contracts with customers.

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

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Unbilled revenue”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability

Notes to the Consolidated Financial Statements

and termed as “Unearned Revenue”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”.

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

D. Rental Income

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

E. Other Income

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

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

(iii) Dividend

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

3.6 Inventories

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

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

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

Traded Good are valued at lower of cost and net realisable value. Cost of traded goods includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

3.7 Property, Plant & Equipment

Recognition

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

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

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

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

Notes to the Consolidated Financial Statements

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.

3.8 Intangible Assets

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

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

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

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

3.9 Depreciation and Amortization

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

The management has estimated the following useful lives of assets:

Asset Category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Land (leasehold)	30 to 99	Lease period
Buildings	3 to 60	3 to 60
Plant and equipment	5 to 15	15
Furniture & fixtures	5 to 10	10
Vehicles	8 to 10	8 to 10
Office equipment	3 to 10	5 to 10
Bearer plants	3	

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

Intangible assets are amortized over the useful economic life which is reviewed at the end of each reporting period. Based on this criteria, presently amortisation rates applied to the Group's intangible assets are as below:

Technical know how	5 to 10 years
Computer software	5 years

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

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

Notes to the Consolidated Financial Statements

3.10 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. 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.

The Group recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

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.

The holding company has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that requirement is no longer met, the company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

3.11 Employee Benefits

(i) Provident Fund

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

(ii) Gratuity

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

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

(iii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Group treats the accumulated leave, which is expected to be utilised or paid in next twelve months, as short term employee benefits. The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

Notes to the Consolidated Financial Statements

(iv) Retirement Benefits

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

(v) Pension

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

(vi) Superannuation Benefit

The Group operates a Superannuation Scheme Trust which in turn has taken Group Gratuity cum Life Assurance policies with the Life Insurance Corporation of India. The Group makes contribution to superannuation fund, for the employees who have opted for this scheme, which is a post-employment benefit in the nature of a defined contribution plan and contribution paid or payable is 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

As a Lessee

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

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

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

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

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

Notes to the Consolidated Financial Statements

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

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

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

As a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

3.13 Taxes

Current income tax

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

Deferred Tax

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

3.14 Borrowing Cost

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

3.15 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

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

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

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

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

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

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

3.16 Dividends

Dividend to equity shareholders is recognized as a liability in the period in which the dividends are approved by the equity shareholders of the companies in the Group.

Interim dividends that are declared by the Board of Directors, of the respective companies in the Group, without the need for equity shareholders' approvals are recognized as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

3.17 Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

Notes to the Consolidated Financial Statements

3.18 Financial instruments

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

Initial recognition

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

Subsequent measurement

For the purpose of subsequent measurement financial assets and financial liabilities are classified in the following broad categories:

A. **Non-derivative financial instruments**

(i) Debt instrument carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

B. **Derivative financial instruments**

(i) Initial recognition and subsequent measurement

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

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

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

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

Notes to the Consolidated Financial Statements

fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

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

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

Derecognition

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

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

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

Reclassification of financial assets

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

3.19 Cash and cash equivalents

Cash and cash equivalents 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.

Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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

3.20 Impairment of Financial Assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Group follows 'simplified approach' for recognition of impairment allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 is recognized as an impairment gain or loss in profit or loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Notes to the Consolidated Financial Statements

3.21 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows less loss allowance.

3.22 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

It is shown as net of related expense except where the related expense is not directly identifiable. In such cases, the grant is presented in the 'Other Income'.

Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income. It is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

3.23 Foreign currencies

i. Initial recognition

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

ii. Conversion

Foreign currency monetary and non-monetary items are translated using the exchange rate prevailing at the reporting date.

iii. Exchange differences

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

3.24 Research and Development Expenses

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

3.25 Fair Value Measurement

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

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

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

Notes to the Consolidated Financial Statements

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

3.26 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1-Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant policies. The effective date of adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates 'and included amendments to IND AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12-Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date of adoption of this is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Free Hold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Bearer plants	Total	Biological assets other than bearer plants
Gross carrying value									
As at April 1, 2021	**13,537.30**	**25,058.42**	**64,698.08**	**1,177.19**	**1,661.32**	**4,759.27**	**244.43**	**111,136.01**	**21.92**
Additions	109.90	2,444.08	22,904.23	99.64	282.36	825.99	183.70	26,849.90	63.47
Disposals	-	-	216.24	4.92	221.98	133.17	-	576.31	-
Translation difference	11.03	82.16	(53.74)	-	-	7.28	(12.49)	34.24	(0.18)
As at March 31, 2022	**13,658.23**	**27,584.66**	**87,332.33**	**1,271.91**	**1,721.70**	**5,459.37**	**415.64**	**137,443.84**	**85.21**
Additions	34.87	958.14	4,088.84	216.96	560.25	652.08	62.17	6,573.30	136.83
Disposals	-	34.29	281.43	5.22	122.88	93.75	-	537.58	-
Adjustments	-	-	(8.67)	-	-	-	-	(8.67)	-
Translation difference	0.79	36.70	158.49	0.05	-	0.54	20.93	217.50	1.42
As at March 31, 2023	**13,693.89**	**28,545.21**	**91,289.56**	**1,483.70**	**2,159.07**	**6,018.24**	**498.74**	**143,688.39**	**223.46**
Accumulated depreciation									
As at April 1, 2021	**-**	**7,674.03**	**29,219.49**	**889.01**	**1,071.79**	**3,311.25**	**41.84**	**42,207.41**	**-**
Charge for the year	-	1,534.84	6,149.94	95.88	223.55	668.34	15.58	8,688.13	-
Disposals	-	-	156.89	4.30	167.29	113.32	-	441.80	-
Adjustments	-	-	142.50	-	-	-	95.76	238.26	29.05
Translation difference	**-**	**13.16**	**(42.29)**	**-**	**-**	**4.07**	**(5.75)**	**(30.81)**	**-**
As at March 31, 2022	-	9,222.03	35,312.75	980.59	1,128.05	3,870.34	147.43	50,661.19	29.05
Charge for the year	-	1,646.22	6,245.19	72.91	248.27	682.15	56.87	8,951.61	-
Disposals	-	20.17	181.92	4.53	98.70	80.70	-	386.02	-
Adjustments	-	-	52.92	-	-	-	-	52.92	39.80
Translation difference	-	5.06	104.04	0.02	-	0.30	9.44	118.86	-
As at March 31, 2023	**-**	**10,853.13**	**41,532.99**	**1,048.99**	**1,277.61**	**4,472.09**	**213.74**	**59,398.56**	**68.85**
Net carrying value									
As at March 31, 2022	**13,658.23**	**18,362.63**	**52,019.58**	**291.32**	**593.65**	**1,589.03**	**268.21**	**86,782.65**	**56.16**
As at March 31, 2023	**13,693.89**	**17,692.07**	**49,756.57**	**434.70**	**881.46**	**1,546.15**	**284.99**	**84,289.83**	**154.61**

(i) Contractual commitment towards purchase of property, plant and equipment, refer note 43.
(ii) Borrowing cost capitalized during the year is ₹ Nil (previous year ₹ 254.88 lakhs).

Notes to the Consolidated Financial Statements

NOTE 4A : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of use asset		Total
	Land (Leasehold)	Buildings	
Gross carrying value			
As at April 1, 2021	**3,013.89**	**3,706.47**	**6,720.36**
Additions		312.63	312.63
Deletions	-	216.62	216.62
Translation difference	(3.15)	114.70	111.55
As at March 31, 2022	**3,010.74**	**3,917.18**	**6,927.92**
Additions	9.34	1,332.09	1,341.43
Deletions	-	443.45	443.45
Adjustments	-	(213.93)	(213.93)
Translation difference	2.94	98.45	101.39
As at March 31, 2023	**3,023.02**	**4,690.34**	**7,713.36**
Accumulated depreciation			
As at April 1, 2021	**463.47**	**1,107.42**	**1,570.89**
Charge for the year	91.12	633.08	724.20
Deletions	-	-	-
Translation difference	(1.02)	194.21	193.19
As at March 31, 2022	**553.57**	**1,934.71**	**2,488.28**
Charge for the year	100.03	684.47	784.50
Deletions	-	417.94	417.94
Translation difference	1.45	70.97	72.42
As at March 31, 2023	**655.05**	**2,272.21**	**2,927.26**
Net carrying value			
As at March 31, 2022	2,457.17	1,982.47	4,439.64
As at March 31, 2023	**2,367.97**	**2,418.12**	**4,786.09**

NOTE 5 : GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
Gross carrying value					
As at April 1, 2021	**2,853.61**	**7,728.18**	**10,581.79**	**2,258.51**	**12,840.30**
Additions	60.70	742.86	803.56	-	803.56
Additions - Business combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Translation difference		73.70	73.70	66.40	140.10
As at March 31, 2022	**2,914.31**	**8,544.74**	**11,459.05**	**2,324.91**	**13,783.96**
Additions	308.51	50.04	358.55	-	358.55
Disposals	-	-	-	-	-
Impairment	-	-	-	594.80	594.80
Translation difference	-	5.31	5.31	4.77	10.08
As at March 31, 2023	**3,222.82**	**8,600.09**	**11,822.91**	**1,734.88**	**13,557.79**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
Accumulated depreciation					
As at April 1, 2021	**2,299.48**	**4,329.56**	**6,629.04**	**-**	**6,629.04**
Charge for the year	220.48	503.04	723.52	-	723.52
Disposals	-	-	-		-
Translation difference	0.28	-	0.28	-	0.28
As at March 31, 2022	**2,520.24**	**4,832.60**	**7,352.84**	**-**	**7,352.84**
Charge for the year	205.32	488.41	693.73		693.73
Disposals	-	-	-	-	-
Translation difference	-	-	-	-	-
As at March 31, 2023	**2,725.56**	**5,321.01**	**8,046.57**	**-**	**8,046.57**
Net carrying value					
As at March 31, 2022	394.07	3,712.14	4,106.21	2,324.91	6,431.12
As at March 31, 2023	**497.26**	**3,279.08**	**3,776.34**	**1,734.88**	**5,511.22**

Notes:

1. Cost of software includes purchase price, duties & taxes (other than refundable from tax authorities).
2. Useful life of additions under software is 5 years and for technical know how is 10 years.

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Investments accounted for using equity method

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments of associate company		
Penwood Project Land Corporation (PPLC)	1,675.00	1,590.65
Total investments	**1,675.00**	**1,590.65**
Aggregate value of investments:		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1,675.00	1,590.65
Aggregate amount of impairment in value of investments	-	-

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans receivables considered good - Secured		
- Loans to employees	184.38	208.54
Loans receivables considered good - Unsecured		
- Loans to employees	186.14	102.51
Total	**370.52**	**311.05**

Notes to the Consolidated Financial Statements

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	6,962.25	18,674.92
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Allowance for expected credit losses	(5.00)	-
Total	**6,957.25**	**18,674.92**

NOTE 8.1 : TRADE RECEIVABLES AGEING

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - considered good	6,962.25	-	-	-	6,962.25
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	**6,962.25**	**-**	**-**	**-**	**6,962.25**
vii) Allowance for credit losses					(5.00)
Total					**6,957.25**

(₹ in lakhs)

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

Notes to the Consolidated Financial Statements

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
- Fixed deposits with banks having maturity of more than twelve months	25.41	Nil
- Interest accrued but not due on deposits	36.82	12.85
- Security deposit (other than Government)*	1,160.86	1,216.35
Total	**2,380.16**	**2,198.30**

* Includes balances with related parties (refer note 46)

NOTE 10 : DEFERRED TAX ASSETS / LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (refer note 10.1)	2,263.40	1,897.84
Deferred tax liabilities (refer note 10.2)	2,179.43	1,876.06

Note 10.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred tax assets		
Employee benefits	872.08	782.26
Fair valuation of investments	26.22	0.99
Property, plant & equipment	941.28	972.09
Brought forward business losses	(687.78)	(570.55)
Provision for expected credit losses	858.67	551.16
Other items	252.93	161.89
Net deferred tax assets/(liabilities)	**2,263.40**	**1,897.84**
(b) MAT credit entitlement (refer note 10.3)	-	-
Total deferred tax assets/(liabilities)	**2,263.40**	**1,897.84**

Notes to the Consolidated Financial Statements

Movement in Deferred tax Assets

(₹ in lakhs)

Particulars	Employee benefits deductible in future years	Fair valuation of investments	Property, plant & equipment	B/F business losses	Provision for expected credit losses	Other items	Total
As at April 1, 2021	**804.86**	**(5.46)**	**(23.68)**	**105.43**	**609.80**	**35.82**	**1,526.77**
(Charged)/credited:-							
- to profit & loss	84.31	6.45	1,025.38	(695.15)	(58.64)	114.24	476.59
- to other comprehensive income	(106.91)	-	(0.42)	-	-	-	(107.33)
- to translation difference	-	-	(29.19)	19.17	-	11.83	1.81
As at March 31, 2022	**782.26**	**0.99**	**972.09**	**(570.55)**	**551.16**	**161.89**	**1,897.84**
(Charged)/credited:-							
- to profit & loss	62.21	25.23	(28.95)	(119.57)	307.51	90.71	337.14
- to other comprehensive income	**27.61**	**-**	-	**-**	**-**	**-**	27.61
- to translation difference	-	-	(1.86)	2.34	-	0.33	0.81
As at March 31, 2023	**872.08**	**26.22**	**941.28**	**(687.78)**	**858.67**	**252.93**	**2,263.40**

Note 10.2 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred tax Liabilities		
Defined benefit obligation	58.33	122.65
Provisions	-	-
Property, plant & equipment	(2,119.36)	(1,759.65)
B/F business losses	-	-
Other items	(118.40)	(239.06)
Net deferred tax assets/(liabilities)	**(2,179.43)**	**(1,876.06)**
(b) MAT credit entitlement (refer note 10.3)	-	-
Net deferred tax assets/(liabilities)	**(2,179.43)**	**(1,876.06)**

Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Defined Benefit Obligation/ Employee Benefits	Property, Plant & Equipment	B/F Business Losses	Other items	Total
As at April 1, 2021	**121.37**	**(2,152.85)**	**451.21**	**(602.66)**	**(2,182.93)**
(Charged)/credited:-					
- to profit & loss	9.15	393.19	(451.21)	320.85	271.98
- to other comprehensive income	(7.87)	-		-	(7.87)
- to translation difference	-	-	-	42.76	42.76
As at March 31, 2022	**122.65**	**(1,759.65)**	**-**	**(239.05)**	**(1,876.06)**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Defined Benefit Obligation/ Employee Benefits	Property, Plant & Equipment	B/F Business Losses	Other items	Total
(Charged)/credited:-					
- to profit & loss	(60.05)	(359.71)	-	120.98	(298.78)
- to other comprehensive income	(4.27)	-		-	(4.27)
- to translation difference	-	-	-	(0.33)	(0.32)
As at March 31, 2023	**58.33**	**(2,119.36)**	**-**	**(118.40)**	**(2,179.43)**

Note 10.3 : Movement in MAT credit entitlement

(₹ in lakhs)

Particulars	Amount
As at April 1, 2021	**4.18**
(Charged)/credited:-	
-to profit & loss	-
-to other comprehensive income	-
-adjusted in current tax	(4.18)
As at March 31, 2022	**-**
(Charged)/credited:-	
-to profit & loss	-
-to other comprehensive income	-
-adjusted in current tax	-
As at March 31, 2023	**-**

NOTE 11 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	49.57	542.55
WCT receivables	17.23	17.23
Service tax on input services	768.58	693.57
Balance with statutory / government authorities	110.10	85.50
Prepaid expenses	206.41	103.50
Others*	1,287.80	276.48
Total	**2,439.69**	**1,718.83**

* includes advances other than capital advances

Notes to the Consolidated Financial Statements

NOTE 12 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials		
Raw materials	23,559.20	24,014.18
Raw materials in transit	1,514.24	2,419.74
Work - in - progress		
Engineering goods	38,334.59	49,907.65
Ingots and steel castings	3,891.92	2,323.50
Sugar	56.41	71.94
Molasses & ethanol	6,319.79	7,054.38
Finished goods		
Engineered goods	3,486.67	7,666.44
Sugar	24,114.80	37,708.35
Molasses	-	-
Ethanol	187.13	60.25
Stock-in-Trade		
Goods in transit	10,552.62	4,747.78
Goods at warehouse	335.59	434.04
Stores & spares	3,905.77	3,751.41
Stores & spares in transit	-	54.36
Loose tools & others	81.46	71.81
Others	44.24	59.05
Total	**116,384.43**	**140,344.88**

For inventories hypothecated/pledged as security, please refer note 27.

NOTE 13 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in mutual funds				
- Unquoted				
SBI Magnum Low Duration Fund - Regular Plan - Growth	-	-	180,875	5,149.74
SBI Short Term Debt Fund - Regular Plan - Growth	-	-	3,839,213	999.95
SBI Overnight Fund - Regular - Growth	-	-	109,495	3,750.53
		-		**9,900.22**
b) Other investments				
- Unquoted				
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		122.16		132.47
ASK Real Estate Special Opportunities Fund		521.90		631.27
ASK Real Estate Special Situations Fund		142.92		199.24
Edelweiss Real Estate Opportunities Fund (EROF)		56.11		77.94
Investcorp Score Fund		77.38		92.40

Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
Indiabulls High Yield Fund		120.42		180.84
Indiabulls Dual Advantage Commercial Asset Fund		519.44		511.20
Nippon India Yield Maximiser Fund Scheme-I		18.43		33.51
Nippon India Yield Maximiser Scheme-III		81.72		112.47
		1,660.48		**1,971.34**
Total current investments (a + b)		**1,660.48**		**11,871.56**
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on respective net asset value)		1,660.48		11,871.56
Aggregate amount of impairment in value of investments		-		-

NOTE 14 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured *	284,367.24	217,373.43
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Trade receivable - credit impaired	79.23	79.23
Allowance for expected credit losses	(2,495.97)	(2,269.15)
Total	**281,950.50**	**215,183.51**

*For trade receivables hypothecated/pledged as security, refer note 27.

Note 14.1 : Trade receivables Ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	206,073.00	58,022.64	4,983.82	6,777.12	4,481.65	3,058.10	283,396.34
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	2.53	-	-	-	2.53
iv) Dispute Trade receivables - considered good	597.59	5.95	-	-	-	350.41	953.95

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	93.65	93.65
Total	**206,670.59**	**58,028.59**	**4,986.35**	**6,777.12**	**4,481.65**	**3,502.16**	**284,446.47**
vii) Allowance for credit losses	-						(2,495.97)
Total							**281,950.50**

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - considered good	166,728.75	33,540.66	3,912.57	6,899.83	2,184.23	2,688.40	215,954.44
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	943.10	5.95	-	24.30	70.57	375.07	1,419.00
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	79.23	79.23
Total	**167,671.85**	**33,546.62**	**3,912.57**	**6,924.13**	**2,254.80**	**3,142.70**	**217,452.66**
vii) Allowance for credit losses	-						(2,269.15)
Total							**215,183.51**

NOTE 15 : CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	16,636.35	9,022.39
- In fixed deposits accounts with original maturity of less than three months	74.07	944.95
Cheques and drafts on hand	83.84	141.40
Cash on hand	21.01	19.26
Total	**16,815.27**	**10,128.00**

Notes to the Consolidated Financial Statements

NOTE 16 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks:		
- In fixed deposits accounts maturing within one year	1,429.10	1,026.10
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	2,728.25	2,387.57
Earmarked - unclaimed dividend accounts	79.07	104.20
Total	**4,236.42**	**3,517.87**

NOTE 17 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans receivables considered good - Secured		
Loans to employees	51.30	84.74
Loans receivables considered good - Unsecured		
Advances to employees	699.01	643.01
Advance to group gratuity trust	104.32	72.20
Total	**854.63**	**799.95**

NOTE 18 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivatives		
Foreign exchange forward contract receivables	130.15	188.12
Others		
Interest accrued but not due on bank fixed deposits	295.82	293.15
Government subsidy recoverable	3,119.31	868.12
Interest subvention on term loan recoverable	173.46	439.64
Security deposits *	1,448.62	763.29
Interest accrued on security deposits	9.30	16.49
Total	**5,176.66**	**2,568.81**

* includes balances with related parties (refer note 46)

NOTE 19 : CURRENT TAX ASSETS /LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid income taxes	185.46	6,166.97
Less: Provisions for income tax	(1,110.29)	4,515.94
Net current tax assets	**1,295.75**	**1,651.03**
Provisions for income- tax	11,804.21	355.30
Less: Prepaid income taxes	10,676.80	244.37
Net current tax liabilities	**1,127.41**	**110.93**

Notes to the Consolidated Financial Statements

NOTE 20 : OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances		
Advance to suppliers	23,378.17	26,111.16
Allowance for expected credit losses	(335.00)	-
Others		
Prepaid expenses	2,376.64	1,514.53
Balance with government authorities	11,677.97	17,242.74
Group gratuity fund	226.85	218.76
Export incentive receivable	540.50	1,645.82
Imprest to employees	-	0.28
Unbilled revenue	49,528.36	48,797.49
Allowance for expected credit losses	(43.05)	-
Others *	441.20	133.00
Total	**87,791.64**	**95,663.78**

* includes miscellaneous recoverables from employees, suppliers and credits with government

Note 20.1 : Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers

(₹ in lakhs)

Particulars	2022-23	
Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers		
Opening balance at the beginning of the year	-	-
Provided during the year		378.05
- Advances to suppliers	335.00	
- Unbilled Revenue	43.05	
Amounts written off	-	-
Reversal of provisions	-	-
Closing balance at the end of the year		**378.05**
- Advances to suppliers	335.00	
- Unbilled Revenue	43.05	

NOTE 21 : SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Authorised share capital	**85,000,000**	**850.00**	**85,000,000**	**850.00**
(Equity shares of ₹ 1/- each with voting rights) (Previous year Equity shares of ₹ 1/- each with voting rights)				
Issued, subscribed & paid up	**73,529,510**	**735.29**	**73,529,510**	**735.29**
(Equity shares of ₹ 1/- each with voting rights) (Previous year Equity shares of ₹ 1/- each with voting rights)				
Total		**735.29**		**735.29**

Notes to the Consolidated Financial Statements

Notes:

(a) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The Company has only one class of equity shares having a par value of ₹ 1 per share (previous year ₹ 1 per share). Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to number of equity shares held by each of the equity share holders.

(b) Reconciliation of the number of shares and amount outstanding:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Equity shares outstanding at the beginning of the year	73,529,510	735.29	73,529,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of the year	73,529,510	735.29	73,529,510	735.29

(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, 2023		As at March 31, 2022	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Yamuna Syndicate Limited	33,084,798	45.00%	33,084,798	45.00%
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%

(d) Shareholding of Promotors:

Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% change during the year
Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	
(i) The Yamuna Syndicate Limited	33,084,798	45.00%	33,084,798	45.00%	
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%	No change
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%	
(iv) N. A. Cold Storages Private Limited	1,500,470	2.04%	1,500,470	2.04%	
(v) Mrs. Nina Puri	159,530	0.22%	159,530	0.22%	

Notes to the Consolidated Financial Statements

NOTE 22 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital reserve		
Balance outstanding at the beginning of the year	14,445.71	14,445.71
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	**14,445.71**	**14,445.71**
(b) Capital redemption reserve		
Balance outstanding at the beginning of the year	3.24	3.24
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	**3.24**	**3.24**
(c) Securities premium		
Balance outstanding at the beginning of the year	450.22	450.22
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	**450.22**	**450.22**
(d) General reserve		
Balance outstanding at the beginning of the year	18,816.93	18,816.93
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	**18,816.93**	**18,816.93**
(e) Retained earnings		
Balance outstanding at the beginning of the year	176,759.05	166,265.47
Add: Profit for the year	19,644.94	10,878.77
Add: Share of profit/(loss) of an associate	4.11	2.36
Add: Remeasurements of post employment benefits obligations (refer note 22.1)	(52.76)	347.75
Less: Appropriations		
- Dividend paid including dividend distribution tax	1,470.59	735.30
- Interim dividend paid including dividend distribution tax	-	-
Balance outstanding at the end of the year	**194,884.75**	**176,759.05**
(f) Other comprehensive income (specify nature)		
(i) Equity instruments through other comprehensive income		
- Balance outstanding at the beginning of the year	109.12	109.12
- Other comprehensive income for the year	-	-
- Balance outstanding at the end of the year (refer note 22.2)	**109.12**	**109.12**
(ii) Effective portion of cash flow hedges		
- Balance outstanding at the beginning of the year	12.22	12.22
- Other comprehensive income for the year	-	-
- Balance outstanding at the end of the year (refer note 22.2)	**12.22**	**12.22**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(iii) Foreign currency translation reserve		
- Balance outstanding at the beginning of the year	761.12	1,312.29
- Other comprehensive income for the year	213.01	(551.17)
- Balance outstanding at the end of the year (refer note 22.2)	**974.13**	**761.12**
Total	**229,696.32**	**211,357.61**

Note 22.1: This is item of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

Note 22.2 : Nature and purpose of reserves

Capital Reserve

400 equity shares of ₹ 1/- each are yet to be allotted by way of bonus shares on receipt of fractional certificates , value of which has been shown under capital reserve.

Capital redemption reserve

Capital redemption reserve of ₹ 1.58 lakhs was created against the redemption of cumulative preference shares in financial year 1991-92 and ₹ 1.66 lakhs against the buy back of equity shares in financial year 2013-14.

Securities Premium

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

General Reserve

This represents appropriation of profit after tax by the Group.

Retained Earnings

This comprise group's undistributed profit after taxes.

Cash flow hedge reserve

The group uses hedging instrument as part of its management of foreign currency risk associated with borrowing in foreign exchange. For hedging the foreign currency risk, the group uses cross currency interest rate swap which is designated as cash flow hedge. Amounts recognised in cash flow hedge reserve is reclassified to profit and loss, when the hedge item affects profit and loss.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.

FVOCI Equity Investment

The group has elected to recognise changes in fair value of certain investments in equity securities through OCI as other reserves. The group transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

Notes to the Consolidated Financial Statements

NOTE 23 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Indian rupee term loan from bank (refer note 23.1)	6,530.25	19,529.38	13,039.96	13,039.96
Secured				
Foreign currency loan (refer note 23.2)	36,756.18	26,991.77	1,638.02	3,273.63
Total	**43,286.43**	**46,521.15**	**14,677.98**	**16,313.59**

Note 23.1 - Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Non-current	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2023	8,820.26	6,280.26	2,540.00	6 month MCLR+spread of 105 bps. Group received in principal approval from Government of India for grant of interest subvention as per scheme i.e. 6% p.a or 50% of rate of interest charged by the bank for maximum loan amount of ₹9660 lakh, which ever is lower.	The loans are repayable in equal quarterly instalments of ₹ 635 lakhs each starting from Dec-2021 to September 2026	Term loan from bank under the Central Government Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol capacity is secured by way of exclusive charge over all immovable fixed properties / hypothecation of moveable fixed properties both present and future all pertaining and specific to the project and second pari passu hypothecation charge on current assets and second pari passu charge on fixed assets of the Group.
As at March 31, 2022	11,319.42	8,779.42	2,540.00			
As at March 31, 2023	750.00	250.00	500.00	MCLR 1Y + 0.80% p.a.	5 Year (Initial year being moratorium period). Payable in 16 equal quarterly installments of ₹ 125 lakhs each in subsequent 4 years.	First charge on plant and machinery exclusively/ specifically procured by utilizing above said loan amount.
As at March 31, 2022	1,250.00	750.00	500.00			
As at March 31, 2023	9,999.96	-	9,999.96	7.35%	The loans are repayable in 8 quarterly equal installment over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the company except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders.
As at March 31, 2022	19,999.92	9,999.96	9,999.96	5.45%		
Total as at March 31, 2023	19,570.22	6,530.26	13,039.96			
Total as at March 31, 2022	32,569.34	19,529.38	13,039.96			

Notes to the Consolidated Financial Statements

Note 23.2 - Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Non-current	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2023	2,457.03	819.01	1,638.02	Bank's prime rate - 0.75% per annum.	Repayments commenced on December 17, 2020 at the rate of Canadian dollar 675,000 quarterly principal only with a termination date of August 19, 2024.	The loan payable is secured by a registered general security agreement on the property of the Eagle press & Equipment Co. Ltd including accounts receivable and equipment and SBLC by bankers of Isgec Heavy Engineering Limited.
As at March 31, 2022	4,083.08	2,449.85	1,633.23			
As at March 31, 2023	35,937.17	35,937.17	-	5.75%	Repayable in 12 years in equal and successive semi-annually installments from date of initial drawdown i.e. January, 2018.	Secured by mortgage of plant under construction of Cavite Biofuels Producers Inc. (Philippines), Biological assets in the sugarcane plantation of Bukid Verde Inc. (Philippines) and land of Penwood Project Land Corp (Philippines).
As at March 31, 2022	26,182.32	24,541.92	1,640.40			
Total as at March 31, 2023	**38,394.20**	**36,756.18**	**1,638.02**			
Total as at March 31, 2022	**30,265.39**	**26,991.77**	**3,273.63**			

NOTE 24 : NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	6,413.76	3,266.64
Security deposit under car loan scheme	122.27	30.70
Security deposit - Others	50.61	41.51
Total	**6,586.64**	**3,338.85**

NOTE 25 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	27.78	23.33
- Leave encashment	2,341.03	2,278.66
- Pension provision	981.36	935.37
	3,350.17	**3,237.36**
Provision for warranty (refer note 25.1 & 25.2)	4,549.71	2,433.67
Total	**7,899.88**	**5,671.03**

Note 25.1 : Provision for warranty

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

Notes to the Consolidated Financial Statements

Note 25.2 : Movement of provision for warranty

(₹ in lakhs)

Nature of Provisions	Warranties 2022-23	Warranties 2021-22
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the Year	15,886.39	17,867.46
Additional provision made during the year	4,748.10	5,140.66
Amount used during the year	(259.42)	(2,567.48)
Amount reversed during the year	(5,541.18)	(4,590.18)
Adjustment due to discounting	(305.38)	35.93
Carrying amount at the end of the year	**14,528.51**	**15,886.39**
Break up of carrying amount at the end of the year		
Long term provisions	4,549.71	2,433.67
Short term provisions (refer note 31)	9,978.80	13,452.72

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	14,864.89	21,531.28
Deferred government grant (refer note 26.1)	20.77	23.73
Security deposit under car loan scheme	-	96.36
Total	**14,885.66**	**21,651.37**

26.1 : The deferred goverment grant arises as a result of the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received.

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Working capital demand loan (WCDL)(refer note 27.1 & 27.2)	43,400.00	41,055.15
Cash credit (refer note 27.1 & 27.3)	7,919.79	12,929.43
Packing credit loan from banks (refer note 27.4)		
- In Indian rupees	6,400.00	2,500.00
Short term loan (refer note 27.1 & 27.5)	3,000.00	-
Current maturities of long term debt (refer note 23)	14,677.96	16,313.59
Unsecured		
Other loans (refer Note 27.6)	1,356.42	1,185.13
Total	**76,754.17**	**73,983.30**

Notes to the Consolidated Financial Statements

Note: 27.1 Secured by hypothecation/pledge of inventories and by way of a charge on book debts and other assets, on pari passu basis to working capital consortium bankers.

Note: 27.2 WCDL is taken as sub limit under cash credit limit. Rate of interest varied from 4.40% to 9.50% p.a.(Previous year 4.35% to 7.70% p.a.) during the above periods.

Note: 27.3 Repayable on demand. Rate of interest varied from 2.70% to 10.00% p.a. (Previous year 2.70% to 9.55% p.a) during the above periods.

Note: 27.4 Average rate of interest on packing credit loans from banks is 5.91% p.a. (Previous year 5.52 % p.a.)

Note: 27.5 Rate of interest varied from 7.25% to 9.50%p.a.

Note: 27.6 Represents payments to MSME creditors through Receivable Exchange of India Ltd. (RXIL) portal. Payable to RXIL on due dates.

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro and Small Enterprises (refer note 28.1)	7,418.41	11,490.00
Total outstanding dues of creditors other than Micro and Small Enterprises *	142,288.32	133,036.03
Total	**149,706.73**	**144,526.03**

* includes balances with related parties (refer note 46)

Note 28.1 : The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the group, on the basis of information and records available with the group. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	7,418.41	11,490.00
- interest	15.50	7.34
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act,2006 not paid)	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	0.42	0.42
(e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Notes to the Consolidated Financial Statements

Note 28.2 : Trade payables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	6,506.68	1,291.31	54.11	24.97	90.88	7,967.95
ii) Others	57,474.56	25,820.64	1,305.71	888.88	4,074.91	89,564.70
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	52,174.08					52,174.08
Total	**116,155.32**	**27,111.95**	**1,359.82**	**913.85**	**4,165.79**	**149,706.73**

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	12,420.23	906.53	28.61	7.39	103.01	13,465.77
ii) Others	26,135.89	44,211.15	1,283.57	931.85	4,107.78	76,670.24
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	54,390.02					54,390.02
Total	**92,946.14**	**45,117.68**	**1,312.18**	**939.24**	**4,210.79**	**144,526.03**

NOTE 29 : CURRENT FINANCIAL LIABILITIES EXCLUDING PROVISIONS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	158.45	134.26
Unclaimed dividends	79.07	104.20
Security deposit received	1,135.27	1,052.13
Expense payable	5,129.09	3,366.32
Capital creditors	304.65	455.58
Foreign exchange forwards contracts payable	130.15	188.12
Payable to employees	3,139.89	3,414.10
Managerial /directors remuneration payable*	533.52	365.52
Other payables#	708.99	237.74
Total	**11,319.08**	**9,317.97**

* includes balances with related parties (refer note 46)

includes stale cheques and other refundables

Notes to the Consolidated Financial Statements

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	3,334.36	2,492.78
Unearned revenue	61,328.58	48,476.79
Advance from customers	73,496.72	79,511.15
Deferred Government grants (refer note 26.1)	2.97	2.97
EPCG deferred expense	58.45	55.49
Others*	1,931.96	1,032.93
Total	**140,153.04**	**131,572.11**

* includes provision for site expenses, non trade payables and contractors fees

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity (refer note 37)	430.02	337.74
- Leave encashment	293.01	284.83
- Leave encashment	136.36	155.03
- Superannuation	-	-
	859.39	**777.60**
Provision for CSR (refer note 40.1)	35.99	160.93
Provision for warranty (refer note 25.1 & 25.2)	9,978.81	13,452.72
Total	**10,874.19**	**14,391.25**

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	579,159.12	498,947.01
Erection, commissioning and related services	51,396.73	43,830.29
Other operating revenue (refer note 32.1)	9,348.08	7,156.98
Total	**639,903.93**	**549,934.28**

Note 32.1 : Other operating revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Commission earned	537.78	-
Export incentives	1,716.77	1,146.64
Packing receipts	19.34	5.66
Unclaimed balances / liabilities no longer required written back	444.61	1,031.41
Excess provision written back of ECL	-	233.00

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of scrap and waste	3,031.98	2,710.37
Foreign exchange fluctuations	1,957.73	1,233.34
Fair value gain on derivatives	316.72	430.15
Government grant (revenue)	-	339.96
Miscellaneous income	1,323.15	26.45
Total	**9,348.08**	**7,156.98**

NOTE 33 : OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income :		
On bank deposits	233.00	273.16
On other deposits and investments	287.37	235.44
On financial assets measured at amortised cost	7.85	7.88
Total	**528.22**	**516.48**
(b) Dividend income on equity investments	**0.13**	**-**
(c) Net gain on sale of current investments (measured at fair value through profit and loss)	**152.00**	**127.34**
(d) Other non operating income :		
Government grant (revenue)	109.41	462.00
Profit on sale of property, plant and equipment	49.70	57.94
Sale of scrap and waste	11.28	-
Miscellaneous income	416.66	159.80
Total	**1,267.40**	**1,323.56**

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material and component consumed	178,403.97	155,076.38
Stores consumed	5,649.70	4,238.38
Total	**184,053.67**	**159,314.76**

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of stock-in-trade	179,831.87	201,384.55
Provision/(reversal) for foreseeable losses on construction contracts	865.31	(1,241.58)
Total	**180,697.18**	**200,142.97**

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
Finished goods	45,435.05	40,864.29
Work-in-progress	59,357.47	44,084.62
Total	**104,792.52**	**84,948.91**
Closing stock		
Finished goods	27,788.58	45,435.04
Work in progress	48,602.72	59,357.47
Total	**76,391.30**	**104,792.51**
Advance settled against Jobs loss	-	-
Translation differences	-	-
Changes in inventory	**28,401.22**	**(19,843.60)**

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & wages	42,318.76	40,216.62
Contribution to provident & other funds	3,007.69	2,329.58
Staff welfare expenses	929.02	756.79
Total	**46,255.47**	**43,302.99**

Note 37.1 : Additional information as per Ind AS 19, employee benefits

(a) Defined contribution plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plans:

(₹ in lakhs)

Particulars	2022-23	2021-22
Provident fund	276.85	260.13
Employees state insurance	5.51	6.24
Superannuation fund	36.40	38.05
Group gratuity Fund	624.77	160.26
Labour welfare fund	11.73	11.79
National pension scheme	235.02	214.36
Total	**1,190.28**	**690.83**

Notes to the Consolidated Financial Statements

(b) Defined benefits plan :

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

The obligations are as under:-

(₹ in lakhs)

Particulars		Gratuity (Funded)	
		2022-23	2021-22
i.	**Change in present value of obligation**		
a.	Present value of obligation at the beginning of the year	8,191.83	8,097.71
b.	Interest cost	588.31	550.58
c.	Current service cost	654.62	629.85
d.	Benefits paid	(989.38)	(871.86)
e.	Actuarial (gain) / loss	74.49	(214.44)
f.	Present value of obligation at the end of the year	8,519.87	8,191.84
ii.	**Change in the fair value of plan assets**		
a.	Fair value of plan assets at the beginning of the year	8,049.49	7,990.12
b.	Actual return on plan assets	574.55	548.02
c.	Contributions	674.11	160.26
d.	Mortality, admin and FMC charges	(11.42)	(20.82)
e.	Benefits paid	(986.36)	(871.86)
f.	Actuarial gain / (loss) on plan assets	(11.47)	243.78
g.	Fair value of plan assets at the end of the year	8,288.90	8,049.50
iii.	**Reconciliation of fair value of assets and obligations**		
a.	Fair value of plan assets at the end of the year	8,288.91	8,049.50
b.	Present value of obligation at the end of the year	8,519.87	8,191.84
c.	Amount recognised in the Balance Sheet	(230.96)	(142.34)
	- Current liability	429.85	337.74
	- Non current liability	23.28	23.33
	- Current asset	226.85	218.76
iv.	**Expenses recognised in the statement of profit & loss**		
a.	Current service cost	651.33	629.84
b.	Interest cost	473.29	438.78
c.	Expected return on plan assets	(460.77)	(431.51)
d.	Actuarial (gain) / loss	-	-
e.	Expenses recognised in the profit & loss	663.85	637.11
v.	**Recognised in other comprehensive income for the year**		
a.	Actuarial gain/(loss) for the year on present benefit obligation	(74.49)	214.44
b.	Actuarial gain/(loss) for the year on assets	(11.47)	243.78
vi.	**Actuarial assumptions**		
a.	Discount rate (per annum)	6.92% - 7.26%	6.92% - 7.26%
b.	Rate of escalation in salary (per annum)	6.50%	6.50%

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars	Gratuity (Funded)				
	2022-23	2021-22	2020-21	2019-20	2018-19
Defined benefit obligation	8,519.87	8,191.84	8,097.71	8,302.98	7,662.09
Plan assets	8,288.91	8,049.50	7,990.12	7,978.44	7,942.74
Surplus / (Deficit)	(230.96)	(142.34)	(107.59)	(324.54)	280.65

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2022-23	2021-22
a. Within next twelve months	1,276.31	1,070.51
b. Between one to five years	2,399.90	2,216.45
c. Between five to ten years	4,364.78	4,442.04

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	8,288.91	8,049.50
(i) Impact due to increase of 0.50%	(321.59)	(323.78)
(ii) Impact due to decrease of 0.50%	346.73	349.90
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	8,452.52	8,191.84
(i) Impact due to increase of 0.50%	348.03	350.58
(ii) Impact due to decrease of 0.50%	(325.66)	(327.30)

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)	
	2022-23	2021-22
Fund managed by insurer	100%	100%

Notes to the Consolidated Financial Statements

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars		As at March 31, 2023	As at March 31, 2022
a)	Discount rate	6.80%-7.18%	6.80%-7.18%
b)	Future salary increase*	6.50%	6.50%
c)	Retirement age (years)	60	60
d)	Ages (withdrawal rate %)		
	Up to 30 Years	3	3
	From 31 to 44 Years	2	2
	Above 44 Years	1	1

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

(h) Mortality rate (gratuity and leave salary)

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

Defined benefits plan- Provident fund

The Company started, from the year ended on March 31, 2021, treating the contribution to the recognised provident fund trust for its employees which is operated by the Company, as a defined benefit plan instead of defined contribution plan being followed hitherto. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on “Employee Benefits”, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (March 31, 2022: ₹ Nil) as worked out by the Company has been allocated to the entity based on the corpus value of the entity as at March 31, 2023.

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1143.30 lakhs for provident fund during the year ended March 31, 2023 (March 31, 2022: ₹ 1478.49 lakhs).

The Indian Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 relating to employee benefits during employment and post employment benefits which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are notified.

Notes to the Consolidated Financial Statements

Defined contribution plan : Pension

(₹ in lakhs)

Asset/Laibility	2022-23
Present value of obligation	917.12
Fair value of plan assets	-
Net assets / (liability) recognized in balance sheet as provision	**917.12**

(₹ in lakhs)

The Break down in given below	2022-23
Interest Guarantee Liability	(93.89)
(Shortfall)/Surplus in fund	(823.23)
Net (Shortfall)/ Surplus	917.12

Principal assumptions are as follows

Particulars	As at March 31, 2023 Rate (%)
a) Discount rate	7.32
b) Expected interest rate on the ledger balance	7.47
c) Retirement age (years)	60
d) Ages (withdrawal rate %)	
Up to 30 Years	N/A
From 31 to 44 Years	N/A
Above 44 Years	N/A

Defined benefits plan- Pension plan

One of the subsidiary of Group has an unfunded, noncontributory defined benefit retirement plan, the following table shows reconciliation from the opening balances to the closing balances for the present value of defined benefit obligation and its component:

Actuarial assumptions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	5.10%
Future salary increases	4.00%	4.00%

Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	2022-23	2021-22
(a) Impact of the change in discount rate		
(i) Impact due to increase of 1%	(90.53)	(72.04)
(ii) Impact due to decrease of 1%	104.89	85.81
b) Impact of the change in salary increase		
(i) Impact due to increase of 1%	105.04	85.80
(ii) Impact due to decrease of 1%	(90.29)	(71.93)

Notes to the Consolidated Financial Statements

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	2022-23	2021-22
a. Within next twelve months	-	-
b. Between one to five years	55.86	-
c. Between five to ten years	556.56	547.07

(₹ in lakhs)

Particulars	2022-23	2021-22
Change in Present value of obligation		
a. Present value of obligation at the beginning of the year	78.52	63.45
b. Interest cost	3.81	1.91
c. Current service cost	23.26	22.16
d. Benefits paid	-	-
e. Actuarial (gain) / loss	(12.70)	(5.95)
f. Translation difference	4.45	(3.05)
g. Present value of obligation at the end of the year	97.34	78.52

NOTE 38 : FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest	6,679.22	5,690.80
Other borrowing costs	477.56	628.10
Interest on lease liability	142.16	196.98
Total	**7,298.94**	**6,515.88**

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant & equipment	8,951.61	8,688.13
Amortisation of intangible assets	693.73	723.52
Depreciation/amortisation of right-of-use assets	784.51	724.20
Total	**10,429.85**	**10,135.85**

NOTE 40 : OTHER EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power & Fuel	5,308.76	4,095.11
Other manufacturing expenses	29,427.30	24,352.39
Rent	741.46	720.13
Repairs to:		
- Plant and machinery	2,965.04	2,037.72
- Building	852.54	837.50
- Others	485.31	586.26

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Insurance	1,612.60	1,559.77
Rates and taxes	304.21	324.86
Commission to selling agents and others	1,418.05	804.14
Royalty	935.60	1,103.46
Bad debts written off	0.34	3.12
Electricity and water expenses	886.20	746.66
Travelling and conveyance	4,884.77	3,686.48
Packing, forwarding & transportation expenses	13,995.99	11,685.32
Design & technical expenses	9,008.71	5,113.23
Advertising and sales promotion	123.15	60.73
Office & maintenance expenses	11,449.15	10,061.51
Legal and professional charges	1,142.57	772.56
Bank charges	1,779.69	2,267.78
Provision for warranties (net of reversals)	291.93	296.47
Adjustment of expected credit loss	631.75	-
Impairement of goodwill	594.80	-
Net loss / (gain) on foreign currency transactions	2,075.92	744.49
Loss / (profit) on sale of property, plant and equipment (net)	49.63	55.96
Loss on sales/diminution in value of stores	19.06	12.53
Loss on investments carried at fair value through profit or loss	100.25	22.91
Non executive director's remuneration / sitting fee	22.61	28.14
Fair value loss on derivatives	316.72	430.15
Donation	2.49	3.76
Payment to auditor		
- as statutory auditor	86.80	100.31
- for taxation matters	0.30	1.25
- for other services	1.55	1.66
- for reimbursement of expenses	8.52	3.94
Managerial remuneration	676.10	497.92
Corporate social responsibility expenses (refer note 40.1)	583.30	595.13
Total	**92,783.17**	**73,613.35**

Note 40.1: Corporate social responsibility

Disclosure related to corporate social responsibility:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Amount required to be spent by the Company for the year	583.30	595.13
ii) Amount arising out of previous financial year	160.93	101.12
iii) Amount of expenditure incurred	708.23	535.32
iv) Shortfall at the end of the year	36.00	160.93
v) Total of previous years shortfall	36.00	-

Notes to the Consolidated Financial Statements

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

vii) Nature of CSR activities -

a) Covid-19 related expenses - Medical oxygen gas generator plant, supply of oxygen concentrators and oxygen gas cylinders to hospitals

b) Promoting education & ensuring environmental sustainability - Providing solar power systems and rain water harvesting systems to schools, providing training and skill development to apprentice

viii) Details of related party transactions :

a) Contribution during the year ending March 31, 2023 - Nil (Previous year Nil)

b) Payable as at March 31, 2023 - Nil (Previous year Nil)

ix) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

Note: 40.2 Government grants recognised in the financial statements

(₹ in lakhs)

Sl. No.	Particulars	Treatment in Accounts	Grants recognised in profit or loss		Grants recoverable	
			Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
1	Financial assistance by Government of India under the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar during the sugar season 2019-20 and 2020-21. To become eligible to get assistance the sugar mills should have exported sugar upto the extent of their Maximum Admissible Export Quantity(MAEQ) determined by the Central Government. However to become eligible to get assistance a sugar mill would be required to export at least 50% of its MAEQ.	Shown as a income from operations	-	339.96	-	-
	Total of Government grant shown as income from operations (refer note 32)		**-**	**339.96**	**-**	**-**
1	The deferred revenue arises as a result of the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received.	Shown as a other income	2.97	2.97	-	-
2	Canada emergency wage subsidy (CEWS) during covid	Shown as a other income	-	459.03	-	-

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Sl. No.	Particulars	Treatment in Accounts	Grants recognised in profit or loss		Grants recoverable	
			Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
3	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21	Shown as a other income	106.44	-	-	-
	Total of Government grant shown as other income (refer note 33)		**109.41**	**462.00**	**-**	**-**
1	Haryana State Government subsidy on cane crushed during the sugar season 2020-2021 and 2021-22 to the extent of cane crushed	Deducted from cane cost (refer note 34)	-	2,544.76	-	868.12
2	Interest subvention @ 7% per annum on soft loans under the scheme of extending soft loan to sugar mills to facilitate payment of cane dues of the farmers for the season 2018-19	Deducted from finance cost (refer note 38)	-	-	3.53	3.53
3	Interest subvention @ 6% per annum or 50% of rate of interest charged by banks, which ever is lower on term loans under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production	Deducted from finance cost (refer note 38)	342.60	102.26	169.93	102.26
4		Deducted from capitali-zation of borrowed cost : refer note 4 (ii)	-	279.83	-	333.86
5	Haryana State Government subsidy on cane crushed during the sugar season 2021-22 and 2022-23 to the extent of cane crushed	Deducted from cane cost (refer note 34)	3,861.86	-	3,119.31	-
	Total of Government grant deducted from respective expenses		**4,204.45**	**2,926.85**	**3,292.77**	**1,307.76**
Grand Total of Government grants recognised in the Profit & Loss & Grants Recoverable			**4,313.86**	**3,728.80**	**3,292.77**	**1,307.76**

Notes to the Consolidated Financial Statements

NOTE 41 : TAX EXPENSE

Income tax expense

(₹ in lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(i)	**Current tax**		
	Current tax on profit for the period	8,502.97	5,078.15
	Adjustments for current tax of prior periods	-	-
	Tax of earlier years	5.53	(18.13)
	Total Current tax expense	**8,508.50**	**5,060.02**
(ii)	**Deferred tax expenses**	**(59.58)**	**(748.58)**
(iii)	**MAT credit entitlement**	-	-
	Total Income tax Expense	**8,448.92**	**4,311.44**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before income tax	29,003.03	15,809.98
Statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	7,455.54	5,037.50
Additional deduction allowed in Income Tax Act for certain expenditure	-	(137.44)
Expenditure for which deduction is not allowed under Income Tax Act	600.21	(423.09)
Differential tax rate on fair value of investments	25.24	4.48
Differential tax rate on sale of investments	(1.99)	(1.36)
Tax on exempt income	(420.31)	(342.95)
Change in tax rate for future period considered for deferred tax	8.66	(1.08)
Other deductions	781.57	175.38
Total	**8,448.92**	**4,311.44**

NOTE 42 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Nominal value of equity share (In ₹)	1.00	1.00
Number of weighted equity shares outstanding during the year for the purpose of calculation of earning per share	73,529,510	73,529,510
Profit / (loss) for the year attributable to owners of the parent (₹ in lakhs)	19,649.05	10,881.13
Basic earning per share (In ₹)	26.72	14.80
Diluted earning per share (In ₹)	26.72	14.80

Notes to the Consolidated Financial Statements

NOTE 43 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
I	**Contingent Liabilities not provided for:**		
a)	Claims against the Company not acknowledged as debts	4,616.12	3,629.50
b)	Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	33,539.01	40,542.43
c)	Bonds/Bank Guarantees executed in favour of Commissioner of Customs against Project Import at Concessional Rate/ Project Authority Certificate	13.97	75.97

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
II	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7,329.92	452.03

NOTE 44 : LEASES

A. Company as a lessee

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

(₹ in lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
a)	Residential premises	67.14	76.41
b)	Commercial premises	658.94	628.44
c)	Plant and machinery	15.38	15.28
Total		**741.46**	**720.13**

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Building	2,418.12	1,982.47
Land	2,367.97	2,457.17
Furniture, fittings and equipment	-	-
Total	**4,786.09**	**4,439.64**

Notes to the Consolidated Financial Statements

The break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities		
Current	959.88	400.59
Non-current	2,529.97	2,413.55
Total	**3,489.85**	**2,814.14**

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	2,814.14	3,268.09
Additions	1,311.61	312.63
Finance cost accrued during the period	142.16	196.98
Remeasurement of Lease	(213.93)	(252.50)
Deletions	(8.36)	-
Payment for leases	696.62	612.12
Translation Difference	140.85	(98.94)
Balance at the end of the year	**3,489.85**	**2,814.14**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Less than one year	1,129.86	855.86
(ii) One to five years	2,134.07	1,644.74
(iii) More than five years	1,378.57	1,287.16
Total	**4,642.50**	**3,787.76**

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

Rental expense recorded for short-term leases was ₹ 741.46 lakhs for FY 2022-23 and ₹ 720.13 lakhs for FY 2021-22.

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, 2023	As at March 31, 2022
a) Not later than one year	36.66	36.22
b) Later than one year and not later than five years	91.74	127.38
c) Later than five years	0.02	0.03
Total	**128.42**	**163.63**

Notes to the Consolidated Financial Statements

NOTE 45 : SEGMENT INFORMATION

Operating Segment

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

a) Manufacturing of machinery and equipment segment

b) Engineering, procurement and construction segment

c) Sugar

d) Ethanol

e) Ethanol (Plant under construction)

Composition of the Segments consists of:

Manufacturing of machinery & equipment segment comprising manufacture of process plant equipment, presses, castings, boiler tubes & panels and containers.

Engineering, procurement and construction segment consists of projects and turnkey solutions for sugar plants, distilleries, power plants, boilers, air pollution control equipment, buildings and factories.

Sugar consists of manufacture and sale of sugar and its by-products.

Ethanol consists of manufacture and sale of ethanol and its by-products

Ethanol (Plant under construction) at philippines consists of acquired business of Cavite Biofuels Producers Inc. which is constructing ethanol plant at philippines

The Segments reported are as per Ind AS 108 "Operating Segments". The identification of Operating Segments is consistent with performance assessment by the management.

In respect of these Segments for the Company, sales and margins do not accrue uniformly during the year.

Identification of Segments

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and include creditors, accrued liabilities and interest bearing liabilities.

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.

Notes to the Consolidated Financial Statements

Segment Accounting Policies:

(i) The segment results have been prepared using the same accounting policies as per the financial statements of the Group

(ii) Unallocated assets include deferred tax, investments and interest bearing deposits.

(iii) Unallocated liabilities include non-interest bearing liabilities and tax provisions.

(iv) Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

1. Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of machinery & equipment	203,538.34	25,534.01	229,072.35	150,093.53	19,730.53	169,824.06
Engineering, procurement and construction	337,247.18	1,939.41	339,186.59	335,508.78	4,610.54	340,119.32
Sugar	76,535.08	13,326.59	89,861.67	60,793.40	6,744.46	67,537.86
Ethanol	21,796.30	-	21,796.30	5,384.12	-	5,384.12
Bio Ethanol (Plant Under Construction at Philippines)	122.02	-	122.02	(2,071.26)	-	(2,071.26)
Unallocated	665.01	-	665.01	225.71	-	225.71
Elimination	-	(40,800.01)	(40,800.01)	-	(31,085.53)	(31,085.53)
Segment Total	**639,903.93**	**-**	**639,903.93**	**549,934.28**	**-**	**549,934.28**

2. Segment Result (Profit/(Loss) before interest and tax)

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing of machinery & equipment	15,864.85	11,664.72
Engineering, procurement and construction	14,793.61	9,948.55
Sugar	9,484.00	6,894.00
Ethanol	778.26	(204.50)
Bio Ethanol (Plant Under Construction at Philippines)	(3,650.66)	(4,089.00)
Unallocated	(1,821.21)	(2,875.28)
Operating Profit Before Interest and Tax	**35,448.85**	**21,338.49**
Less: Interest expense	(6,821.38)	(5,887.78)
Inter segment interest	(650.08)	(407.45)
Add: Interest income	1,025.64	766.72
Profit Before Tax	**29,003.03**	**15,809.98**

Notes to the Consolidated Financial Statements

3. Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Manufacturing of machinery & equipment	189,994.27	198,535.36	110,036.34	149,763.17
Engineering, procurement and construction	372,560.17	325,313.43	281,172.93	258,617.58
Sugar	46,915.50	58,849.51	12,282.58	14,660.31
Ethanol	22,351.95	22,326.38	9,531.48	13,461.01
Ethanol (Plant Under Construction) at Philippines	87,835.53	75,587.07	84,363.21	68,119.85
Unallocated	33,839.80	87,324.51	16,900.96	20,180.69
Total	**753,497.22**	**767,936.26**	**514,287.50**	**524,802.61**
Less: Inter segment assets/liabilities	46,024.98	91,952.06	46,024.99	69,028.42
Total Segment Asset/Liability	**707,472.24**	**675,984.20**	**468,262.51**	**455,774.19**

4. Other Information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Manufacturing of machinery & equipment	4,617.91	4,930.28	6,311.69	6,848.24
Engineering, procurement and construction	1,713.14	1,414.37	1,021.95	956.47
Sugar	713.71	1,618.09	785.56	685.75
Ethanol	1,385.40	3,829.42	973.23	325.01
Bio Ethanol (Plant Under Construction at Philippines)	8,939.64	(3,300.23)	417.73	453.72
Unallocated	33.25	72.98	225.96	233.64

5. Geographical Information

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from external customers		
- Within India	532,278.19	497,255.14
- Outside India	-	-
Thailand	1,736.09	3,452.04
Uganda	1,788.38	1,974.71
USA	12,056.94	10,065.31
Morocco	6,622.24	-
Vietnam	14,300.51	1,041.70
Bangladesh	8,942.69	2,620.82
Other countries	62,178.89	33,524.55
Total	**639,903.93**	**549,934.28**

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets		
- Within India	87,496.96	87,909.25
- Outside India	88,428.28	79,347.89
Total	**175,925.24**	**167,257.14**

NOTE 46 : RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard on "Related Party Disclosures" (Ind AS-24), the disclosures in respect of related parties and transactions with them, as identified and certified by the management, are as follows:

I. Description and name of related parties

Description of relationship	Name	
Holding company	None	
Entities over which directors and their relatives can exercise significant influence	Yamuna Syndicate Limited	
	Kamla Puri Charitable Trust	
	N. A. Cold Storages Private Limited	
	Kamla Puri Charitable Foundation	
	Blue Water Enterprises	
Key management personnel	Mr. Aditya Puri	Managing Director
	Mr. Ranjit Puri	Chairman and non executive director
	Mr. Sidharth Prasad	Non Executive Independent Director
	Mr. Vishal Kirti Keshav Marwaha	Non Executive Independent Director
	Mrs. Shivani Hazari	Non Executive Director (resigned with effect from March 12, 2022)
	Mr. Arvind Sagar	Non Executive Independent Director (with effect from June 28, 2021)
	Mrs. Rashi Sikka	Non Executive Independent Director (with effect from May 28, 2022)
	Mr. Sudershan Kumar Khorana	Company Secretary (retired with effect from June 1, 2022) and Non Executive Director of wholly owned subsidiary
	Ms. Shweta Aggarwal	Company Secretary (Appointed as Company Secretary w.e.f June 1, 2022 and resigned w.e.f. November 15, 2022)
	Mr. Sachin Saluja	Company Secretary (Appointed as Company Secretary w.e.f November 15,2022)
	Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer (whole-time-director with effect from June 28, 2021)
	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units (with effect from June 28, 2021)
	Ms. Reva Khanna	Non Executive Director of wholly owned subsidiary
Relative of key management personnel	Mrs. Nina Puri	

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
10	The Saraswati Syndicate Employees Group Gratuity cum Life Insurance Scheme	India	Company's employee gratuity trust

II. Related Party Transactions

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a)	**Purchase of goods**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	440.76	239.55
	– Key management personnel		
	Mr. Aditya Puri (Managing Director)	2.54	4.69
	– Relatives of key management personnel		
	Mr. Ranjit Puri (Chairman)	2.89	4.31
	Total	**446.19**	**248.55**
b)	**Sale of goods**		
	– Entities over which key management personnel can exercise significant influence		
	Mr. Ranjit Puri (Chairman)	0.21	-
	Total	**0.21**	**-**
c)	**Purchase of fixed Assets**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	4.10	6.65
	Total	**4.10**	**6.65**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
d)	**Rendering of services**		
	– Subsidiaries		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	2.56	12.22
	Total	**2.56**	**12.22**
e)	**Services received**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	-	4.00
	Total	**-**	**4.00**
f)	**Rent received**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	3.00	3.00
	– Key management personnel		
	Mr. Aditya Puri	30.00	11.25
	Total	**33.00**	**14.25**
g)	**Rent Paid**		
	– Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	76.98	69.98
	– Relatives of key management personnel		
	Mrs. Nina Puri	33.00	33.00
	Total	**109.98**	**102.98**
h)	**Dividend Paid**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	661.70	330.85
	N. A. Cold Storages Private Limited	30.01	15.00
	– Key Management Personnel		
	Mr. Ranjit Puri	131.84	65.92
	Mr. Aditya Puri	91.36	45.68
	Mr. Sudershan Kumar Khorana	0.37	0.19
	Mr. Kishore Chatnani	0.01	0.01
	– Relative of key management personnel		
	Mrs. Nina Puri	3.18	1.59
	Total	**918.47**	**459.24**
i)	**Reimbursement received for resources utilisation**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	0.50	-
	Total	**0.50**	**-**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
j)	**Key management personnel compensation^**		
	Mr. Aditya Puri	679.07	500.00
	Mr. Sudershan Kumar Khorana	31.80	70.06
	Mr. Kishore Chatnani	143.64	114.85
	Mr. Sanjay Gulati	200.99	180.24
	Ms. Shewta Agarwal	17.83	11.85
	Mr. Sachin Saluja	13.82	-
	Total	**1,087.15**	**877.00**

^ The post employment benefits exclude provision for gratuity and leave encashment which can not be separately identified from the composite amount as advised by the actuary.

(₹ in lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
k)	**Key management personnel remuneration / sitting fees**		
	Mr. Ranjit Puri	5.35	6.10
	Mr. Sudershan Kumar Khorana	0.80	0.40
	Ms. Reva Khanna	0.80	0.65
	Mr. Sidharth Prasad	4.95	6.25
	Mr. Vishal Kirti Keshav Marwaha	2.65	5.95
	Mrs. Shivani Hazari	-	3.44
	Mrs. Rashi Sikha	3.31	-
	Mr. Arvind Sagar	4.75	3.29
	– Relative of key management personnel		
	Mrs. Nina Puri	-	2.06
	Total	**22.61**	**28.14**

(₹ in lakhs)

	Name of trust	2022-23	2021-22
l)	**Contribution to trust for post employment benefit**		
	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,372.52	1,212.11
	Isgec Employees Group Gratuity cum Life Assurance Scheme	572.13	92.09
	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	48.02	3.90
	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	15.09	0.10
	Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	31.25	18.94
	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	-	0.12
	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	18.10	78.20
	Saraswati Industrial Syndicate Limited Superannuation Scheme	37.90	39.55

Notes to the Consolidated Financial Statements

(₹ in lakhs)

		2022-23	2021-22
m)	**Amount payable as at year end**		
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	9.21	10.09
	– Key management personnel		
	Mr. Aditya Puri (Managing Director)	531.55	363.74
	Mr. Ranjit Puri (Chairman)	1.44	1.87
	MR. Arvind Sagar	0.23	0.17
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Sanjay Gulati	6.69	9.82
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Rashi Sikha	0.19	-
	Mrs. Shivani Hazari	-	0.21
	– Relative of key management personnel		
	Mrs. Nina Puri	1.80	1.85
	Total	**558.26**	**398.03**

(₹ in lakhs)

		2022-23	2021-22
n)	**Amount receivable as at year end**		
	– Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	17.12	19.90
	Total	**17.12**	**19.90**

o) Terms and Conditions

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

NOTE 47 : CAPITAL MANAGEMENT

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	120,040.60	120,504.45
Less: Cash & cash equivalent	16,815.27	10,128.00
Less: Investments in liquid mutual funds	-	9,900.22
Net debt	**103,225.33**	**100,476.23**
Total equity	230,431.61	212,092.90
Total equity and net debt	333,656.94	312,569.13
Net debt to equity ratio (Gearing Ratio)	**30.94%**	32.15%

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23 and 27.

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

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 year.

(c) Dividends

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Dividends Recognized		
Dividend for the year ended March 31, 2022 ₹ 2/- per equity share of ₹ 1/- each (for the year ended March 31, 2021 ₹ 1/ per equity share of ₹ 1/- each)	1,470.59	735.30
Interim dividend during the year ended March 31, 2023 ₹ NIL/- per equity share of ₹ 1/- each (during the year ended March 31, 2022 ₹ NIL/- per equity share of ₹ 1/- each)	-	-
(ii) Dividend proposed but not recognised in the books of accounts*		
The Board of Directors have recommended the payment of a final dividend of ₹ 3/- per equity share of ₹ 1/- each	2,205.89	1,470.59
(March 31, 2022 ₹ 2/- per equity share of ₹ 1/- each)		

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

NOTE 48 : FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Financial Asset						
Investments						
-Investments in mutual funds	-	-	-	-	9,900.22	-
-Other investments	-	1,660.48	-	-	1,971.34	-
Trade receivables	288,907.75	-	-	233,858.43	-	-
Loans	1,225.15	-	-	1,111.00	-	-
Cash and cash equivalents	16,815.27	-	-	10,128.00	-	-
Bank balances	4,236.42	-	-	3,517.87	-	-
Foreign currency forward contracts	-	130.15	-	-	188.12	-
Other financial assets	7,426.67	-	-	4,578.99	-	-
Total Financial Assets	**318,611.26**	**1,790.63**	**-**	**253,194.29**	**12,059.68**	**-**
Financial Liabilities						
Borrowings	120,040.60	-	-	120,504.45	-	-
Trade payables	149,706.73	-	-	144,526.03	-	-

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Forward contracts	-	130.15	-	-	188.12	-
Lease liability	3,489.85			2,814.14		
Other Financial Liabilities	17,775.57	-	-	12,468.70	-	-
Total Financial Liabilities	**291,012.75**	**130.15**	**-**	**280,313.32**	**188.12**	**-**

*FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

(i) Fair Value Hierarchy

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

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

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

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

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2022	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets and liabilities at fair value through profit or loss				
Financial assets				
Investments				
- Investments in mutual funds	9,900.22	9,900.22	-	-
- Other investments	1,971.34	-	1,971.34	-
Financial investment at FVOCI	-	-	-	-
Foreign currency forward contracts	188.12	-	188.12	-
Total	**12,059.68**	**9,900.22**	**2,159.46**	**-**
Financial Liabilities				
Forward contracts	188.12	-	188.12	-
Total	**188.12**	**-**	**188.12**	**-**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2022	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2022				
Financial Assets				
Loan to employees	1,038.80	-	-	1,038.80
Security deposit	1,979.64	-	-	1,979.64
Total	**3,018.44**	**-**	**-**	**3,018.44**
Financial Liabilities				
Borrowings	120,504.45	-	-	120,504.45
Trade payables	144,526.03	-	-	144,526.03
Lease liability	2,814.14			2,814.14
Other financial liabilities	12,656.82	-	-	12,656.82
Total	**280,501.44**	**-**	**-**	**280,501.44**

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2023	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets and liabilities at fair value through profit or loss				
Financial assets				
Investments				
- Other investments	1,660.48	-	1,660.48	-
Financial investment at FVOCI	-	-	-	-
Foreign currency forward contracts	130.15	-	130.15	-
Total	**1,790.63**	**-**	**1,790.63**	**-**
Financial Liabilities				
Forward contracts	130.15	-	130.15	-
Total	**130.15**	**-**	**130.15**	**-**
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2023				
Financial Assets				
Loan to employees	1,120.83	-	-	1,120.83
Security deposit	2,609.48	-	-	2,609.48
Total	**3,730.31**	**-**	**-**	**3,730.31**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2023	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities				
Borrowings	120,040.60	-	-	120,040.60
Trade payables	149,706.73	-	-	149,706.73
Lease liability	3,489.85	-	-	3,489.85
Other financial liabilities	17,905.72	-	-	17,905.72
Total	**291,142.90**	**-**	**-**	**291,142.90**

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

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

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

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

NOTE 49 : FINANCIAL RISK MANAGEMENT

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

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

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

(a) Interest rate risk

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

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	118,684.18	119,319.32
Fixed rate borrowings	-	-
Total	**118,684.18**	**119,319.32**

Interest on discounting of bills by suppliers ,current year ₹ 1356.42 Lacs (Previous year ₹ 1185.13 Lacs) is not chargeable to the company.

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Variable rate borrowings	6.35%	118,684.18	100.00%	6.13%	119,319.32	100.00%
Net exposure to cash flow interest rate risk		**118,684.18**			**119,319.32**	

(iii) Sensitivity

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

(₹ in lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
INR	+50	+50	593.42	596.60
	- 50	- 50	(593.42)	(596.60)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and the Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Group hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Foreign currency exposure as at March 31, 2023	USD	Euro	JPY	Others	Total
Trade receivables	37,176.49	3,933.50	-	1,834.06	42,944.05
Bank balances in current accounts and term deposits accounts	320.12	0.01	-	2,627.18	2,947.31
Trade payables	6,218.24	2,340.03	195.69	428.41	9,182.37
Hedged portion	33,597.19	5,926.91	195.60	413.36	40,133.06
Net exposure to foreign currency risk (assets)	10,117.66	346.63	0.09	6,624.58	17,088.96
Foreign currency exposure as at March 31, 2022	**USD**	**Euro**	**JPY**	**Others**	**Total**
Trade receivables	28,722.74	3,340.80	-	416.14	32,479.68
Bank balances in current accounts and term deposits accounts	256.19	0.89	-	794.56	1,051.64
Trade payables	4,708.01	4,455.06	381.03	1,179.95	10,724.05
Hedged portion	26,670.52	7,607.72	372.76	942.66	35,593.66
Net exposure to foreign currency risk (liabilities)	7,016.42	189.03	8.27	1,447.99	8,661.71

Foreign currency sensitivity

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

Particulars	2022-23		2021-22	
	1% increase	1% decrease	1% increase	1% decrease
USD	101.18	-101.18	70.16	-70.16
Euro	3.47	-3.47	1.89	-1.89
JPY	0.00	-0.00	0.08	-0.08
Others	66.25	-66.25	14.48	-14.48

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

(c) Price Risk

The Group's exposure to price risk arises from the investment held by the Group . To manage its price risk arising from investments in marketable securities, the Group diversifies its portfolio and is done in accordance with the Group policy. The Group's major investments are actively traded in markets and are held for short period of time. Therefore no senility is provided for the same.

II. Credit risk

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

Notes to the Consolidated Financial Statements

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

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

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

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

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

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

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

Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2022					
Gross carrying amount	186,346.77	33,546.62	3,912.57	12,321.62	236,127.58
Expected credit loss	-	137.34	48.52	2,083.29	2,269.15
Carrying amount (net of impairment)	186,346.77	33,409.28	3,864.05	10,238.33	233,858.43
As at March 31, 2023					
Gross carrying amount	206,670.59	58,028.59	4,986.35	14,760.92	284,446.45
Expected credit loss	39.46	285.51	80.78	2,095.22	2,500.97
Carrying amount (net of impairment)	206,631.13	57,743.08	4,905.57	12,665.70	281,945.48

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	ECL for advance to suppliers	ECL for unbilled revenue	Total
As at April 1, 2021	**2,153.48**	**-**	**-**	**2,153.48**
Provided during the year	395.53	-	-	395.53
Amounts written off	-	-	-	-
Reversal of provisions	(279.86)	-	-	(279.86)

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	ECL for trade receivables	ECL for advance to suppliers	ECL for unbilled revenue	Total
Unwinding of discounts	-	-	-	-
Transferred on account of demerger	-	-	-	-
As at March 31, 2022	**2,269.15**	**-**	**-**	**2,269.15**
Provided during the year	231.82	335.00	43.05	609.87
Amounts written off				-
Reversal of provisions				-
Unwinding of discounts				-
Transferred on account of demerger				-
As at March 31, 2023	**2,500.97**	**335.00**	**43.05**	**2,879.02**

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, 2023	Carrying amount	On demand	Less than 12 months	More than 12 months	Total
Borrowings	120,040.60	51,319.79	25,434.38	43,286.43	120,040.60
Trade payables	149,706.73	-	149,706.73	-	149,706.73
Lease liability	3,489.85		959.88	2,529.97	3,489.85
Other Financial Liabilities	17,905.72	-	11,319.08	6,586.64	17,905.72
Total	**291,142.90**	**51,319.79**	**187,420.07**	**52,403.04**	**291,142.90**

(₹ in lakhs)

As at March 31, 2022	Carrying amount	On demand	Less than 12 months	More than 12 months	Total
Borrowings	120,504.45	53,984.58	19,998.72	46,521.15	120,504.45
Trade payables	144,526.03	-	144,526.03	-	144,526.03
Lease liability	2,814.14		400.59	2,413.55	2,814.14
Other Financial Liabilities	12,656.82	-	9,317.97	3,338.85	12,656.82
Total	**280,501.44**	**53,984.58**	**174,243.31**	**52,273.55**	**280,501.44**

Notes to the Consolidated Financial Statements

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank overdraft and other facilities	62,383.42	53,430.42

NOTE 50 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

Sr. No.	Particulars	Description					
a)	**Products covered for cost audit**	Ingots and Manufactured items of Engineering Machinery		Sugar		Other Machinery	
b)	**Full particulars of cost auditor**	M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)		M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)		M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)	
c)	**Filling of cost audit report**	**Year ended 31.03.2023**	**Year ended 31.03.2022**	**Year ended 31.03.2023**	**Year ended 31.03.2022**	**Year ended 31.03.2023**	**Year ended 31.03.2022**
	i) Due date of filling of cost audit report	**27.09.2023**	27.09.2022	**27.09.2023**	27.09.2022	**27.09.2023**	27.09.2022
	ii) Actual date of filling cost audit report	**Not Yet Due**	13.09.2022	**Not Yet Due**	30.08.2022	**Not Yet Due**	02.09.2022

NOTE 51 : INTEREST IN OTHER ENTITIES

A Summarised financial information of subsidiaries having material non-controlling interests is as follows:-

(₹ in lakhs)

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec SFW Boilers Private Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Country of Incorporation	India		India		India		India	
Assets								
Non-Current Assets	17,340.17	6,668.80	466.42	362.70	49.67	62.79	325.47	210.46
Current Assets	44,204.15	47,877.59	5,492.26	2,749.57	1,846.73	1,889.24	847.47	746.50
Total	**61,544.32**	**54,546.39**	**5,958.68**	**3,112.27**	**1,896.40**	**1,952.03**	**1,172.94**	**956.96**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec SFW Boilers Private Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Liabilities								
Non-Current Liabilities	11,002.53	1,607.71	21.01	156.71	10.36	12.61	119.00	63.39
Current Liabilities	35,075.69	38,192.96	4,378.62	1,821.87	1,838.81	1,926.23	211.84	220.63
Total	**46,078.22**	**39,800.67**	**4,399.63**	**1,978.58**	**1,849.17**	**1,938.84**	**330.84**	**284.02**
Equity	**15,466.11**	**14,745.72**	**1,559.04**	**1,133.69**	**47.24**	**13.20**	**842.10**	**672.93**
Percentage of ownership held by non-controlling interest	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Accumulated non controlling interest	7,578.39	7,225.40	763.93	555.51	23.15	6.47	412.63	329.74
Revenue	59,692.93	33,069.72	6,355.42	4,091.45	1,446.71	3,712.35	1,388.17	1,041.01
Net profit/ (loss)	830.63	405.63	673.02	518.07	34.04	109.05	309.36	227.28
Other comprehensive income	(10.21)	0.67	3.12	0.55	-	-	-0.20	1.24
Total comprehensive income	820.41	406.30	675.36	518.62	34.04	109.05	309.17	228.54
Profit/(loss) allocated to non controlling interests	402.00	199.09	330.92	254.12	16.68	53.43	151.49	111.98
Net cash inflow/(outflow) from operating activities	2,487.12	9,438.25	(2,058.98)	(202.63)	(172.88)	117.15	282.94	273.56
Net cash inflow/(outflow) from investing activities	(274.22)	(669.58)	(250.64)	(52.17)	0.01	0.57	(129.88)	(148.43)
Net cash inflow/(outflow) from financing activities	(1,649.65)	(8,550.97)	2,052.73	(263.62)	172.86	(119.03)	(184.05)	(152.40)
Net cash inflow/(outflow)	563.25	217.70	(256.89)	(518.41)	(0.01)	(1.31)	(30.99)	(27.28)

Notes to the Consolidated Financial Statements

B Summarised financial information of associate is as follows:-

(₹ in lakhs)

Particulars	Penwood Project Land Corp.	
	As at March 31, 2023	As at March 31, 2022
Country of Incorporation	Philippines	
Summarised balance sheet		
Assets		
Non-Current Assets	1,727.83	1,645.01
Current Assets	487.91	464.52
Total	**2,215.74**	**2,109.53**
Liabilities		
Non-Current Liabilities	24.00	23.00
Current Liabilities	317.76	302.52
Total	**341.76**	**325.52**
Net assets	**1,873.98**	**1,784.01**
Group share	40.00%	40.00%
Reconciliation of carrying amounts		
Opening net assets	1,009.13	1,061.08
Acquisition during the year	-	-
Profit for the year	4.11	2.36
Exchange gain/(loss)	50.88	(54.31)
Carrying amount	**1,064.12**	**1,009.13**

Notes to Consolidated Financial Statements

NOTE 52 : Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013

A. For the year ended March 31, 2023

(₹ in lakhs)

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Isgec Heavy Engineering Limited	84.44%	194,570.91	90.58%	17,792.32	-46.20%	(74.03)	89.48%	17,718.29
Subsidiaries								
Indian								
Isgec Covema Limited	0.32%	730.65	-0.01%	(1.82)	0.00%	-	-0.01%	(1.82)
Isgec Exports Limited	0.06%	140.14	0.03%	5.14	0.00%	-	0.03%	5.14
Isgec Engineering & Projects Limited	0.18%	414.38	0.02%	3.85	0.00%	-	0.02%	3.85
Saraswati Sugar Mills Limited	15.46%	35,624.41	34.01%	6,680.84	7.92%	12.69	33.80%	6,693.53
Freelook Software Private Limited	0.36%	822.75	0.16%	31.55	0.00%	-	0.16%	31.55
Isgec Hitachi Zosen Limited	6.71%	15,466.11	4.23%	830.63	-6.37%	(10.21)	4.14%	820.42
Isgec SFW Boilers Private Limited	0.37%	842.10	1.58%	309.36	-0.12%	(0.19)	1.56%	309.17
Isgec Redecam Enviro Solutions Private Limited	0.02%	47.24	0.17%	34.04	0.00%	-	0.17%	34.04
Isgec Titan Metal Fabricators Private Limited	0.68%	1,559.04	3.43%	673.02	1.46%	2.33	3.41%	675.35
Foreign								
Eagle Press & Equipment Co. Limited	-1.02%	(2,356.47)	-5.50%	(1,079.43)	5.26%	8.43	-5.41%	(1,071.00)
Isgec Investment PTE Limited	-0.13%	(308.69)	-0.81%	(159.61)	0.00%	-	-0.81%	(159.61)
Bioeq Energy Holdings One	22.58%	52,036.47	-0.03%	(5.25)	0.00%	-	-0.03%	(5.25)
Bioeq Energy Pte Ltd.	0.04%	99.78	0.04%	8.57	0.00%	-	0.04%	8.57
Bioeq Energy B.V.	25.38%	58,486.06	-0.12%	(22.85)	0.00%	-	-0.12%	(22.85)
Bioeq Energy Holding Corp.	18.27%	42,090.75	-4.75%	(933.86)	129.91%	208.18	-3.66%	(725.68)
Cavite Biofuels Producers Inc.	7.11%	16,380.97	-12.12%	(2,381.40)	4.02%	6.44	-11.99%	(2,374.96)
Bukid Verde Inc.	-3.80%	(8,755.26)	-4.24%	(833.59)	1.65%	2.65	-4.20%	(830.94)
Non controlling interest in all subsidiaries	-3.81%	(8,778.12)	-4.61%	(905.06)	2.46%	3.95	-4.55%	(901.11)
Associate								
Foreign								
Penwood Project Land Corporation (PPLC)	0.05%	121.55	0.02%	4.11	0.00%	-	0.02%	4.11
Consolidation adjustments	-73.26%	(168,803.16)	-2.08%	(408.89)	0.00%	-	-2.05%	(408.89)
Total	**100%**	**230,431.61**	**100%**	**19,641.67**	**100%**	**160.24**	**100%**	**19,801.91**

Notes to Consolidated Financial Statements

B. For the year ended March 31, 2022

(₹ in lakhs)

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other compre hensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Isgec Heavy Engineering Limited	84.08%	178,323.21	103.68%	11,281.91	-156.27%	317.89	108.64%	11,599.80
Subsidiaries								
Indian								
Isgec Covema Limited	0.35%	732.47	2.09%	227.60	0.00%	-	2.13%	227.60
Isgec Exports Limited	0.06%	135.00	0.04%	4.76	0.00%	-	0.04%	4.76
Isgec Engineering & Projects Limited	0.19%	410.53	0.03%	3.25	0.00%	-	0.03%	3.25
Saraswati Sugar Mills Limited	14.31%	30,350.85	37.24%	4,051.79	-11.12%	22.63	38.16%	4,074.42
Freelook Software Private Limited	0.37%	791.20	0.25%	27.61	0.00%	-	0.26%	27.61
Isgec Hitachi Zosen Limited	6.95%	14,745.72	3.73%	405.63	-0.33%	0.67	3.81%	406.30
Isgec SFW Boilers Private Limited	0.32%	672.93	2.09%	227.28	-0.61%	1.25	2.14%	228.53
Isgec Redecam Enviro Solutions Private Limited	0.01%	13.20	1.00%	109.05	0.00%	-	1.02%	109.05
Isgec Titan Metal Fabricators Private Limited	0.53%	1,133.69	4.76%	518.07	-0.27%	0.55	4.86%	518.62
Foreign								
Eagle Press & Equipment Co. Limited	-0.61%	(1,285.47)	-9.59%	(1,043.08)	7.55%	(15.35)	-9.91%	(1,058.43)
Isgec Investment PTE Limited	-0.06%	(124.83)	-0.22%	(24.17)	0.00%	-	-0.23%	(24.17)
Bioeq Energy Holdings One	21.45%	45,501.69	-0.05%	(5.83)	0.00%	-	-0.05%	(5.83)
Bioeq Energy Pte Ltd.	0.04%	82.33	-103.46%	(11,258.01)	0.00%	-	-105.43%	(11,258.01)
Bioeq Energy B.V.	25.05%	53,129.44	-0.12%	(12.74)	0.00%	-	-0.12%	(12.74)
Bioeq Energy Holding Corp.	16.22%	34,397.74	-21.74%	(2,365.27)	261.58%	(532.12)	-27.13%	(2,897.39)
Cavite Biofuels Producers Inc.	8.74%	18,538.39	-37.66%	(4,097.69)	-0.84%	1.71	-38.36%	(4,095.98)
Bukid Verde Inc.	-3.66%	(7,768.34)	-6.88%	(748.98)	-0.28%	0.56	-7.01%	(748.42)
Non controlling interest in all subsidiaries	-3.83%	(8,117.11)	-5.67%	(617.41)	0.60%	(1.22)	-5.79%	(618.63)
Associate								
Foreign								
Penwood Project Land Corporation (PPLC)	0.05%	115.73	0.02%	2.36	0.00%	-	0.02%	2.36
Consolidation adjustments	-70.58%	(149,685.47)	130.46%	14,195.00	0.00%	-	132.94%	14,195.00
Total	**100%**	**212,092.90**	**100%**	**10,881.13**	**100%**	**(203.42)**	**100%**	**10,677.71**

Notes to the Consolidated Financial Statements

NOTE 53 : DISCLOSURE UNDER IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Type of services or goods		
Revenue from manufacturing of machinery & equipment	203,538.34	150,093.53
Revenue from engineering, procurement and construction	337,247.18	335,508.78
Sugar	76,535.08	60,793.40
Ethanol	21,796.30	5,384.12
Plant under construction	122.02	(2,071.26)
Others	665.01	225.71
Total revenue from sale of services or goods	**639,903.93**	**549,934.28**
Revenue from contracts with customers		
Revenue from customers based in India	532,278.19	497,255.14
Revenue from customers based outside India	107,625.74	52,679.14
Total revenue from contracts with customers	**639,903.93**	**549,934.28**
Timing of revenue recognition		
Goods and services transferred over time	337,247.18	335,508.78
Goods and services transferred at a point in time	302,656.75	214,425.50
	639,903.93	**549,934.28**

b. Trade receivables and contract customers

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	288,907.75	233,858.43
Contract Assets	49,528.36	48,797.49
Contract Liabilities	149,690.19	149,519.22

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 2,500.97 lakhs (Previous Year ₹ 2,269.15 lakhs) was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amounts included in contract liabilities at the beginning of the year	149,519.22	131,545.71
Amount received against contract liability during the year	187,623.90	165,076.86
Performance obligations satisfied during the year	187,452.93	147,103.35
Amounts included in contract liabilities at the end of the year	149,690.19	149,519.22

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Disclosure of the entity's remaining performance obligations:		
(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	704,131.89	561,859.15
(b) When the entity expects to recognise as revenue		
Within one year	60.46%	65.26%
Within two years	34.62%	28.18%
Within five years	4.92%	5.91%
Thereafter	0.00%	0.65%

NOTE 54 : OTHER STATUTORY INFORMATION

(i) The Group does not have any transactions with companies struck off.

(ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(iii) The Group has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vi) There is no immovable properties title deeds of which are not held in name of the Group

Notes to the Consolidated Financial Statements

(vii) No fair valuation of investment property has been carried out

(viii) No revaluation of PPE (Including ROU) & intangible assets has been carried out

(ix) Nil loans & advances in the nature of loan that are granted to promoters, directors, KMPs and the related parties

(x) The Group has not defaulted on loan from any bank or financial institution or other lender

(xi) Compliance with approved scheme(s) of arrangements-Not Applicable

Note 54.1 : Capital Work in Progress (CWIP) aging schedule

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 31, 2023)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	6,667.68	261.85	1,661.13	70,630.80	79,221.46
ii) Projects temporarily suspended	-	-	-	-	-
Total					**79,221.46**

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 31, 2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	942.98	97.81	69,110.72	2.14	70,153.65
ii) Projects temporarily suspended	-	-	-	-	-
Total					**70,153.65**

No project in capital work-in-progress as on March 31, 2022 and March 31, 2023 has become overdue nor its cost has exceeded compared to its original plan.

Note 54.2 : Intangible assets under development aging schedule

(₹ in lakhs)

Particulars	Amount in Intangible assets under development for a period of (as at March 31, 2023)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	1,257.22	-	-	-	1,257.22
ii) Projects temporarily suspended	-	-	-	-	-
Total					**1,257.22**

(₹ in lakhs)

Particulars	Amount in Intangible assets under development for a period of (as at March 31, 2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-
Total					**-**

No project in capital work-in-progress as on March 31, 2022 and March 31, 2023 has become overdue nor its cost has exceeded compared to its original plan.

Notes to the Consolidated Financial Statements

NOTE 55 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & wages	230.09	184.64
Contribution to provident & other Funds	11.53	9.95
Others	75.56	21.66
Total	**317.18**	**216.25**

NOTE 56 : Contribution to political parties during the year 2022-23 is ₹ Nil (previous year: ₹ Nil)

NOTE 57 : Previous year figures have been regrouped/recasted whereever necessary to make them comparable as per requirements of amended Schedule

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

Bhupinder Kumar Malik
Head - Corporate Accounts & Taxation

For & on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M. No.: 087010

Sachin Saluja
Company Secretary
M.No.: A24269

Kishore Chatnani
Whole Time Director and Chief Financial Officer
DIN: 07805465

Place : Noida
Dated : May 29, 2023

Aditya Puri
Managing Director
DIN: 00052534

Sidharth Prasad
Director
DIN: 00074194

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