

# ENGINEERING A SUSTAINABLE TOMORROW

**2023-2024**  
Annual Report



# TABLE OF CONTENTS

## 03 Company Overview

Isgec- A legacy of Excellence	3
Our Strong Report Card	7
Our Journey Over 90 Years	8
Quality Accreditations	10
Board of Directors	11
Corporate Social Responsibility	13

## 14 Statutory Reports

Board's Report	14
Management Discussion & Analysis	21
Report on Corporate Governance	39

## 61 Financial Statements

Standalone Financial Statements	61
Consolidated Financial Statements	139



View or download this report at  
[www.isgec.com](http://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.



# COMPANY OVERVIEW

Isgec - A Legacy of Excellence

## GLOBAL PRESENCE

**93** Countries across **6** Continents

**8** Plants across the world



Manufacturing Shops at Yamunanagar, Haryana, India



Sugar Mill and Ethanol Plant at Yamunanagar, Haryana, India



Manufacturing Shops at Dahej, Gujarat, India



Manufacturing Shops at Ratangarh, Haryana, India



Manufacturing Shops at Bawal, Haryana, India



Manufacturing Shops at Muzaffarnagar, Uttar Pradesh, India

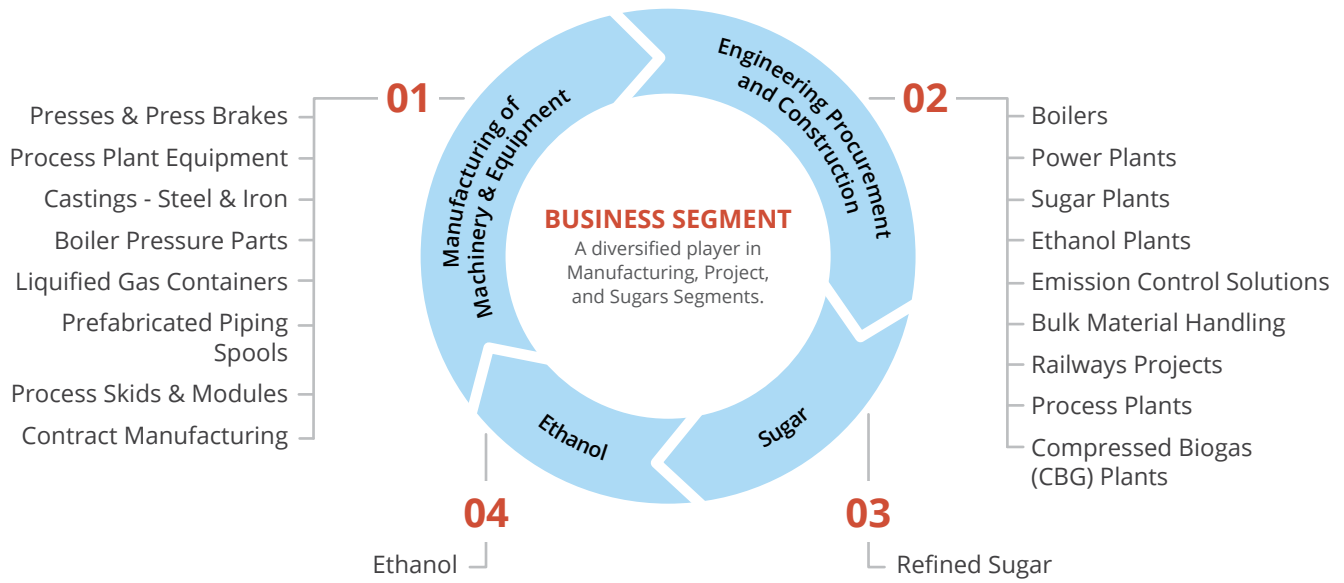


Ethanol Plant at Cavite, Philippines

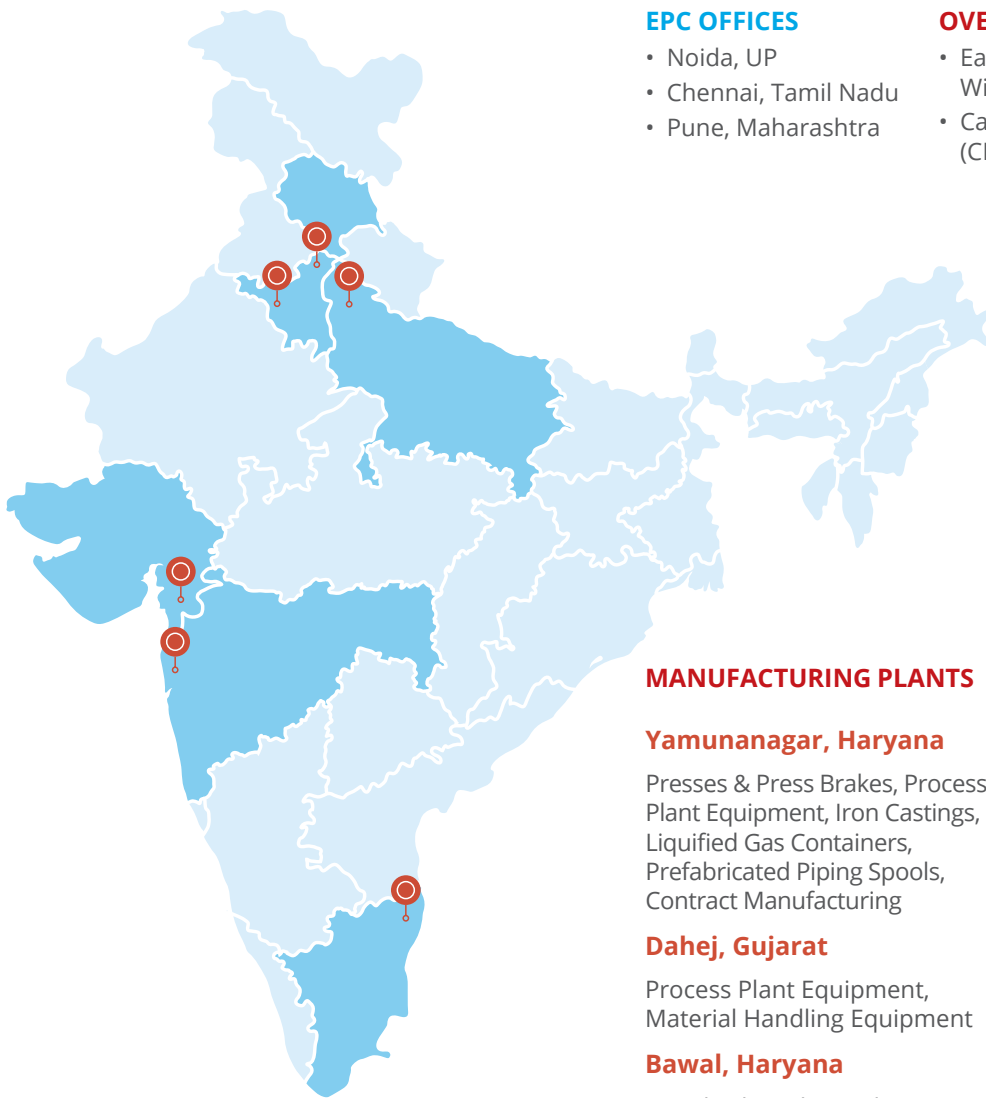


Manufacturing Shops at Windsor, Canada

## BUSINESS SEGMENTS



## OUR LOCATIONS



### EPC OFFICES

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

### OVERSEAS FACILITIES

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

### MANUFACTURING PLANTS

#### Yamunanagar, Haryana

Presses & Press Brakes, Process Plant Equipment, Iron Castings, Liquified Gas Containers, Prefabricated Piping Spools, Contract Manufacturing

#### Dahej, Gujarat

Process Plant Equipment, Material Handling Equipment

#### Bawal, Haryana

Standard Mechanical Presses and Press Brakes

#### Rattangarh, Haryana

Boilers Pressure Parts, Process Skids & Modules

#### Muzaffarnagar, UP

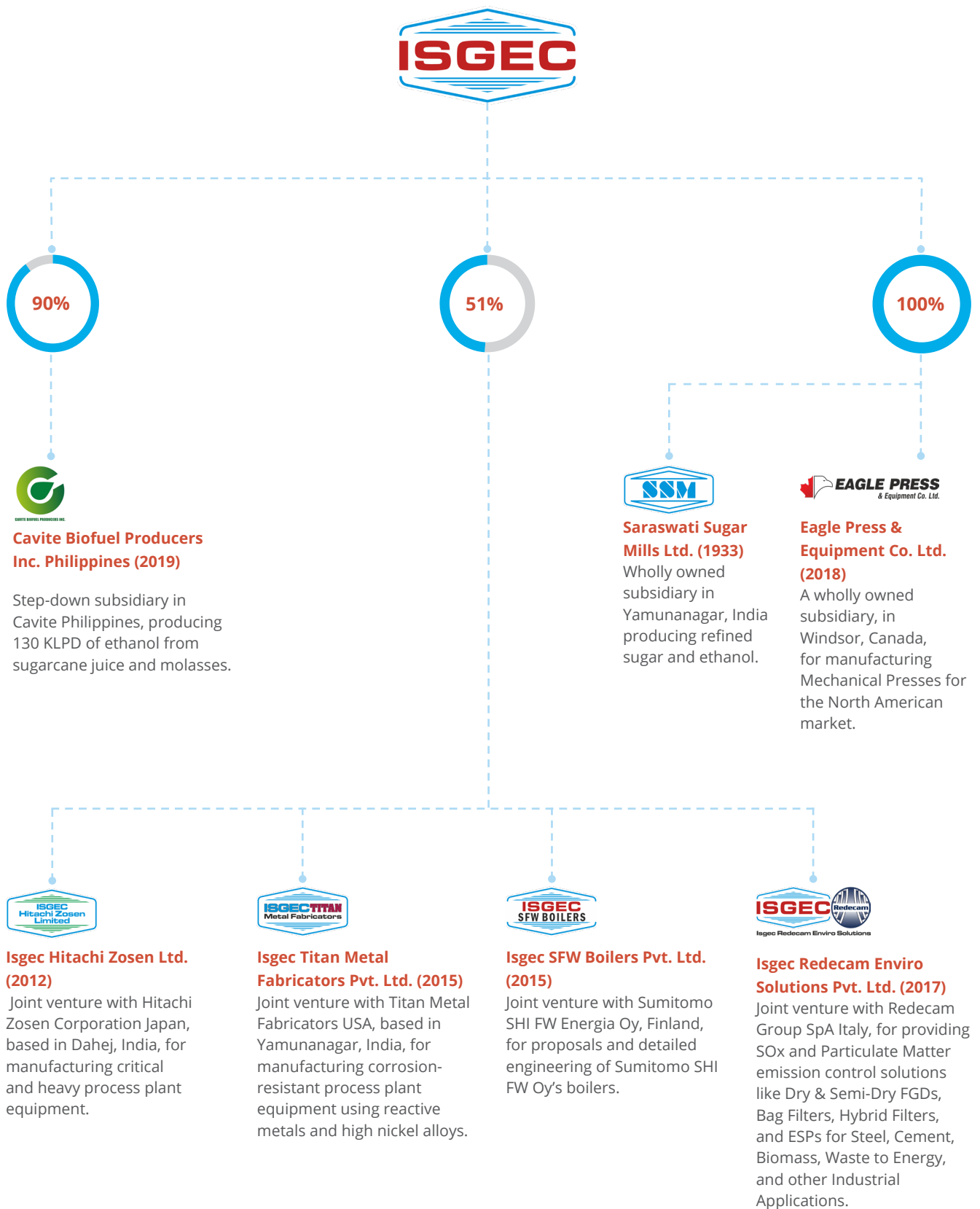
Steel Castings

#### Saraswati Sugar Mills Yamunanagar, Haryana

Sugar Plant & Ethanol Plant



## SUBSIDIARIES AND JOINT VENTURES



## TECHNOLOGY PARTNERSHIPS

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

**Babcock Power Environmental Inc.**  
USA

**CB&I Technology Inc.**  
USA

**AP&T**  
Sweden

**BHI FW Corporation**  
South Korea

**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



**INR 62452 Million**  
Revenue



**INR 2549 Million**  
PAT



**INR 5241 Million**  
EBITDA



**INR 79050 Million**  
Order book as on 31.03.2024



**INR 26185 Million**  
Net worth as on 31.03.2024

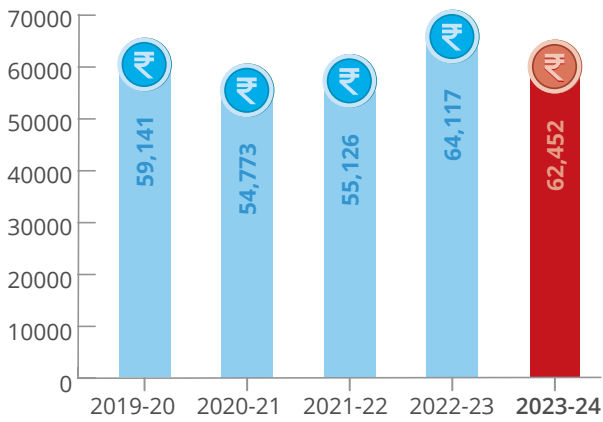


**ICRA AA(STABLE)  
and ICRA A1+**  
Credit rating by ICRA

## OUR STRONG REPORT CARD

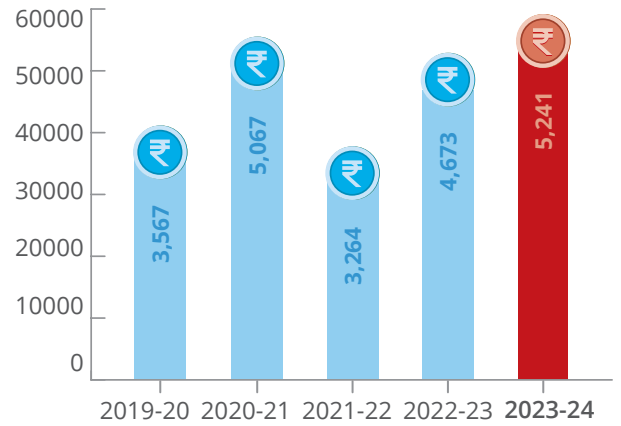
### Revenue

(₹Mn)



### EBITDA

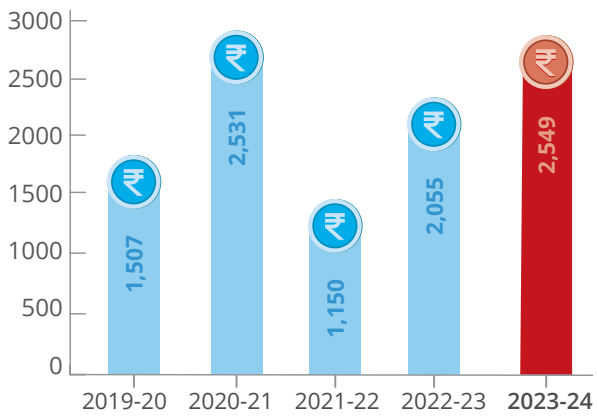
(₹Mn)



4-Year CAGR ↑ 10% Y-O-Y ↑ 12%

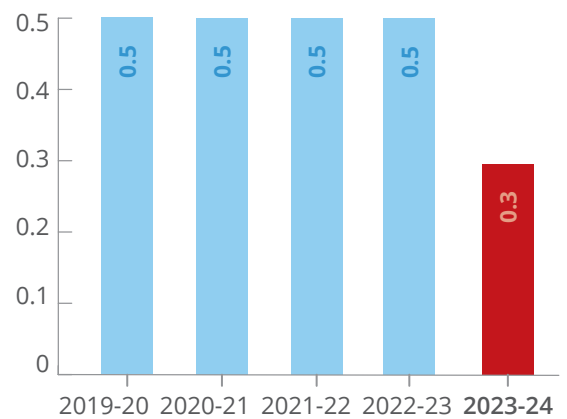
### PAT

(₹Mn)

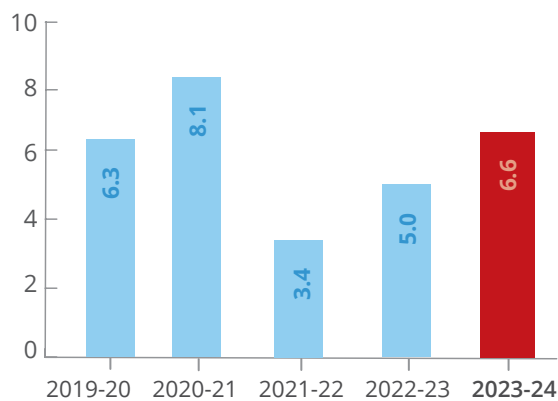


4-Year CAGR ↑ 14 % Y-O-Y ↑ 24 %

### Total Debt/Equity



### Interest Coverage Ratio





## OUR GLORIOUS LEGACY

Our Journey over 90+ Years



1988

Isgec John Thompson Ltd. (IJT) signed a technology tie-up with Pyropower of A. Ahlstrom Corporation for Circulating Fluidized Bed Combustion (CFBC) boilers.

2007

Group turnover grossed INR 1,000 crores (USD 248 million).

1965

Isgec John Thompson Ltd. (IJT) was established for Industrial boilers.

1981

Isgec acquired a steel castings unit in Muzaffarnagar, Uttar Pradesh.

1933

Isgec, then known as Saraswati Sugar Syndicate Limited, was founded.

1977

Listed on the Delhi Stock Exchange.

1946

Started manufacturing engineering goods.

1998

- Licensing agreement for CFBC (Circulating Fluidised Bed Combustion) Boilers up to 60 MW with Amec Foster Wheeler North America Corp.
- Licensing agreement with Belleli, Italy for the manufacturer of High Pressure Reactors for Oil Refineries and other Petrochemical Plants.

1985

Entered into a technology transfer agreement with Rovetta Presse Spa, Italy for manufacturing mechanical presses.

## 2015

- Joint Venture with Sumitomo SHI FW Energia, Finland (then known as Foster Wheeler) for detailed design and engineering of Boilers.
- Joint Venture with TITAN Metal Fabricators, USA for manufacturing process plant equipment using reactive metal & high nickel alloys.
- Joint Venture with Redecam, Italy for bag filters & non-fossil fuel ESPs.

## 2023

Capacity in Ethanol Plant at Saraswati Sugar Mill, Yamunanagar, enhanced to 160KLPD.

## 2009

- Bawal Plant was founded to manufacture Standard Presses.
- Group turnover crossed INR 2,000 crore (USD 424 million).

## 2020

Group turnover crossed INR 5,000 crore (USD 598 million).

## 2024

Commercial production began at 130 KLPD distillery, Cavite Biofuel Producers Inc. (subsidiary) in the Philippines.

## 2018

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

## 2021

- Listed on the National Stock Exchange.
- Commissioned 100 KLPD Ethanol Plant in Saraswati Sugar Mills (subsidiary), Yamunanagar.

## 2012

- Joint venture with Hitachi Zosen, Japan, to manufacture critical process equipment.
- Group turnover crossed INR 3,000 crore (USD 564 million).

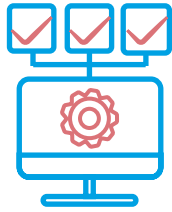
## 2008

- Listed on the Bombay Stock Exchange, India.
- Dahej plant in Gujarat set up for large Process Plant Equipment.

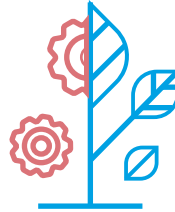


## QUALITY ACCREDITATIONS

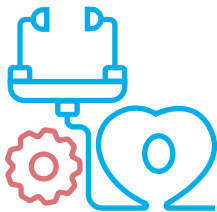
Quality is one of the core values at Isgec. Over the years, the Company has gained many accreditations from the most renowned organisations worldwide. Some of our accreditations are as follows:



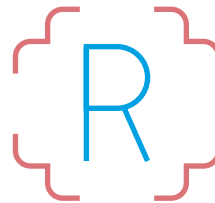
ISO 9001:2015 Quality Management System



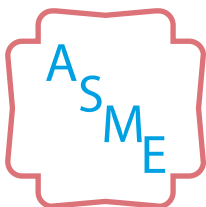
ISO 14001:2015 Environmental Management System



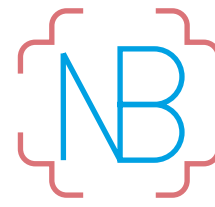
ISO 45001:2018 Occupational Health and Safety Management System



'R' Stamp



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



'NB' Stamp



China Safety Quality Licence



Conformance Européenne

EN 1090-1: 2009+ A1: 2011 Execution of steel structures and aluminium structures



## LEADERSHIP THAT INSTILLS FAITH

### Board of Directors



**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.



**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.



**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.



**Mr. Sidharth 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.



**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.



**Mrs. Rashi Sikka**

Independent Director

#### Education

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

#### Experience

Over 6 years of work experience in Banking and Credit Rating. Expertise in financial management, financial investments, financial control, taxation, and HR development.



### 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. He 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.



### Mr. Sachin Saluja

Company Secretary &  
Compliance Officer

#### Auditors

SCV & Co. LLP  
B-41, Panchsheel Enclave,  
New Delhi- 110017

#### Registered Office

Radaur Road,  
Yamunanagar- 135001  
Haryana, India

#### Registrar & Share Transfer Agent

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

#### Bankers

State Bank of India  
Punjab National Bank  
Citibank N.A.  
HDFC Bank Ltd.  
IDFC First Bank Ltd.  
The Hongkong & Shanghai Banking  
Corporation Ltd.

Standard Chartered Bank  
Indian Bank  
Export Import Bank of India  
Yes Bank Ltd.  
Axis Bank Ltd.

Union Bank of India  
ICICI Bank Ltd  
Kotak Mahindra Bank Ltd.  
IndusInd Bank Ltd.  
Bank of Baroda

● Chairman ○ Member

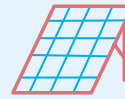
● Audit Committee ● Nomination and Remuneration Committee ● Stakeholders Relationship & Grievance Committee  
● Corporate Social Responsibility Committee ● Risk Management Committee

## CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility (CSR) initiatives are guided by our commitment to address environmental challenges, promote sustainable practices, and contribute positively to the community. With a particular focus on education and environmental sustainability, we have implemented several such initiatives like installation of rainwater harvesting systems and solar power systems in Govt. schools & public places in Yamuna Nagar, Haryana. Also, our decade-long partnership with Nai Disha Educational & Cultural Society aims to uplift the lives of underprivileged children by providing quality education & vocational training.



**100** Rainwater Harvesting Systems installed in Haryana.



**128** solar power systems installed in Haryana.



**320** Million litres of water conserved by our rainwater harvesting systems since 2019.



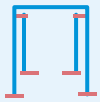
**47** borewells constructed in low-lying regions around Yamunanagar, Haryana.



**1,545** Tons of coal consumption was prevented by our solar power panels since 2018.



**243** schools renovated in Haryana.



**8** outdoor gymnasiums constructed in Haryana.





## BOARD'S REPORT

1. The board is hereby pleased to present its report for the financial year ended March 31, 2024.

### 2. Financial Performance

2.1. The financial performance of the Company is summarized below:

(₹ in lakhs)

Particulars	Financial Year ended	
	As at 31.03.2024	As at 31.03.2023
	Standalone	
<b>Total Revenue</b>	4,90,613.64	4,68,690.61
<b>Total Expenses (before finance cost, depreciation and tax)</b>	<b>4,49,493.92</b>	<b>4,35,239.34</b>
Profit before finance cost, depreciation and tax	41,119.72	33,451.27
Finance cost and depreciation	10,729.60	10,011.73
Profit before tax and exceptional items	30,390.12	23,439.54
Exceptional items	-	-
<b>Profit before tax but after exceptional Items</b>	<b>30,390.12</b>	<b>23,439.54</b>
Less: Tax expenses including deferred tax	7,219.44	5,647.22
Profit after tax	23,170.68	17,792.32
Other Comprehensive Income / (loss) (net of tax)	(75.29)	(74.03)
Total Comprehensive Income	23,095.39	17,718.29
Balance carried to profit & loss account	20,889.50	16,247.70
<b>Basic/ Diluted earnings per share of ₹ 1 each</b>	<b>31.51</b>	<b>24.20</b>

### 3. Standalone and Consolidated Financial Statements

- 3.1. Standalone and Consolidated Financial Statements for the financial year 2023-24 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 in **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, 2024 and the date of this report.

### 6. Amounts transferred to Reserves, if any

- 6.1. During the year under review, the Company has not transferred any amount to the Reserves.

### 7. Details of Subsidiaries, Joint Ventures and Associates

- 7.1. No company has become or ceased to be a subsidiary, joint venture or associate company during the year under consideration.
- 7.2. Report on performance of subsidiary and joint venture companies together with business details is given in Management Discussion and Analysis forming part of this report and is annexed to this report as **Annexure-2**.
- 7.3. Audited Annual Financial Statements of subsidiary and joint venture companies are disclosed on website of the Company and may be accessed through the following web link <https://www.isgec.com/about-us/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 28, 2024 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 Transactions

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 web link <https://www.isgsec.com/pdf/PolicyonMaterialityof-RelatedPartyTransactionsandonDealingwithRelated-PartyTransactions1822020.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 not on 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 2023-24

Your Directors are pleased to recommend a final dividend of ₹ 4/- 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 ₹ 29,41,18,040 (Rupees Twenty Nine Crore Forty One Lakh Eighteen Thousand and Forty only).

### 10.2. Uncashed / Unclaimed Dividend

10.2.1. 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 web link <https://www.isgsec.com/unclaimed-dividend-investor.php>.

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

10.3.1. Details of unclaimed dividends transferred into Investor Education and Protection Fund Authority, during the financial year 2023-24, are as under:

Amount in ₹

S.No.	Particulars	Unpaid or Unclaimed Dividend Amount
1	Final Dividend for financial year 2015-16	9,15,330
2	Interim Dividend for financial year 2016-17	15,30,075

10.3.2. The Company has transferred the unpaid or unclaimed Dividend for the financial year 2015-16 and financial year 2016-17 to the Investor Education and Protection Fund Authority on September 20, 2023 and February 28, 2024 respectively.

### 10.4. Transfer of Shares into Investor Education and Protection Fund Authority

During the financial year 2023-24, the Company has transferred 21,150 equity shares to the Investor Education and Protection Fund Authority.

### 10.5. Dividend Distribution Policy

10.5.1. 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 web link <https://www.isgsec.com/pdf/Dividend-Distribution-Policy-1219.pdf>.

## 11. Share Capital and Change in capital structure

11.1. As at March 31, 2024, 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 issued equity shares in the capital of the Company are fully paid-up;

11.3. During the financial year 2023-24, 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:

Particular	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

- 13.1.1. Mr. Ranjit Puri, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.
- 13.1.2. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment for consideration by the members at ensuing Annual General Meeting.
- 13.1.3. Brief details of Mr. Ranjit Puri 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. Re-appointment of Ms. Rashi Sikka as an Independent Director

- 13.2.1. Ms. Rashi Sikka (DIN: 00320145) was appointed as an Independent Director on the Board of the Company for a period of three (03) years with effect from May 28, 2022. The tenure of her appointment is due to expire on May 27, 2025.
- 13.2.2. Based on the recommendation of the Nomination and Remuneration Committee, the Board approved re-appointment of Ms. Rashi Sikka as an Independent Director for second consecutive term of five (05) years with effect from May 27, 2025.
- 13.2.3. Her re-appointment is subject to approval of shareholders by way of passing Special Resolution in this regard. Accordingly, this matter with suitable resolution is proposed in the Notice of Annual General Meeting.
- 13.2.4. Brief details of Ms. Rashi Sikka 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.

- 13.3. 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. There has been no change in Key Managerial Personnel during the financial year 2023-24.

### 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:-
- 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;
  - that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - 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 at the following web link <https://www.isgec.com/pdf/NRC-policy.pdf>.

### 15. Deposits

- 15.1. During the financial year 2023-24, 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 web link <https://www.isgec.com/about-us-financial-annual-return.php>.

## 17. Report on Corporate Governance

17.1. 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 2023-24 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. Five (05) Board Meetings were held during the financial year ended March 31, 2024. Dates of the Board Meetings and attendance of the directors therein are disclosed in para 2.9 of the Corporate Governance Report, which is 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 18, 2024 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 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 the 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 the 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 web link <https://www.isgec.com/pdf/VigilMechanismWhistleBlowerPolicy-10.06.2021.pdf>.

## 23. Directors' Responsibility Statement

23.1. Your Directors hereby confirm that:

- a. In the preparation of the Annual Accounts for the financial year 2023-24, the applicable Accounting Standards have been followed and there are no material departures;
- b. The Directors have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- c. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts on a going concern basis;
- e. The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 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 89<sup>th</sup> Annual General Meeting until the conclusion of 94<sup>th</sup> 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 2024-25.

### 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 paid to the Statutory Auditors for rendering services to the Company and its subsidiaries 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, 2024. 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 audit of secretarial records for financial year 2023-24.

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**.

24.2.3. The Secretarial Audit Report of the material wholly owned subsidiary i.e., Saraswati Sugar Mills Limited, is annexed to this report as **Annexure- 5**. This report also does not contain any qualification(s), reservation(s) or adverse remark(s).

### 24.3. Cost Auditors and their report

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

24.3.2. The Board of Directors had 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 for the financial year 2023-24.

24.3.3. On account of unfortunate demise of Mr. Gopinathan Mohandas, proprietor of M/s. Gopinathan Mohandas & Co., Cost Accountants, the Board of Directors appointed M/s. Neeraj Sharma & Co., Cost Accountants (Firm Registration Number: 100466) as Cost Auditors for the financial year 2023-24, to fill the casual vacancy.

24.3.4. The Board of Directors of the Company have appointed M/s. Neeraj Sharma & Co., Cost Accountants (Firm Registration Number: 100466)

as Cost Auditors for the financial year 2024-25, on a fee of ₹ 1,75,000 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 2023-24 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 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. The 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 disclosed on website of the Company and may be accessed through the web link <https://www.isgrec.com/pdf/BusinessResponsibilityandSustainabilityReport.pdf>

### 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 is annexed to this report 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 the 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 and attendance of the Members at the meeting held during the financial year 2023-24 is given below:

Name of the Director	Designation	Corporate Social Responsibility Committee meeting date and attendance	
		May 25, 2023	February 12, 2024
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 web link <https://www.isgec.com/about-us-csr-policy.php>.
- 29.4. Annual report on Corporate Social Responsibility activities for the financial year 2023-24 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-7**.

## 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 web link <https://www.isgec.com/pdf/RiskManagementpolicynew1.pdf>.

## 31. Secretarial Standards

- 31.1. The Company complies with all the applicable Secretarial Standards issued by the Institute of Company 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:
- No application has been made or any proceedings pending under Insolvency and Bankruptcy Code, 2016 as at the end of the financial year 2023-24;
  - 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.
  - 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**

**Ranjit Puri**

Chairman

DIN: 00052459

Date: May 29, 2024

Place: Noida

## 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**

Description	2023-24										2022-23											
	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****	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****
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****	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	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, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024	Year Ended March 31, 2024
4 Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	CAD	SGD	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	200.00	200.00	2,501.55	5.20	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	532.07	136.98	39,038.81	19.49	862.32	6,785.56	663.24	1,623.40	14.65	(5,868.36)	(247.87)	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	1,178.01	147.27	81,542.46	419.84	865.14	70,474.93	1,224.23	3,611.90	5,252.57	12,948.94	101,726.48	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	445.93	0.30	41,793.66	0.35	0.35	53,689.37	360.99	1,888.49	5,037.92	16,315.75	101,928.21	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	-	-	-	-	-	-	-	-	-	49.71	1,656.60	-	-	-	-	-	-	-	-	-	-	1,675.00
10 Turnover*	32.75	9.46	82,582.00	15.10	56.57	47,822.21	1,269.79	4,161.98	4,782.36	7,712.46	485.32	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	(1.91)	9.13	8,416.16	7.49	56.17	2,046.60	291.36	493.55	224.08	(1,312.73)	(3,353.82)	(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	(3.13)	2.30	1,634.41	2.39	14.14	711.42	73.22	117.25	7.00	-	-	0.55	1.68	1,716.66	2.04	10.61	461.39	104.50	219.16	-	0.52	-
a. Current Tax	(0.20)	-	522.54	-	-	(197.83)	(1.78)	11.02	49.67	(345.90)	(8.50)	-	-	584.46	-	-	(196.78)	(0.07)	10.98	13.12	43.20	(229.99)
b. Deferred Tax	1.42	6.84	6,259.21	5.10	42.03	1,533.01	2,191.92	365.28	167.41	(966.83)	(3,345.31)	(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)
13 Profit/(Loss) after Taxation	-	-	(4.83)	-	-	(13.56)	1.22	(0.93)	-	(19.76)	(230.04)	-	-	12.69	-	-	(10.21)	(0.19)	-	-	8.43	217.28
14 Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Proposed Dividend **	300.00	-	2,129.97	-	-	380.00	200.00	-	-	-	-	-	-	2,129.97	-	-	200.00	200.00	200.00	-	-	-
16 % of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%	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 ₹ 61.27.

\*\*\*\* Reporting currency is Singapore Dollar (SGD) and exchange rate as on the last day of relevant financial year is ₹ 61.74.

**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. State of company's affairs and operations, including management discussions and analysis:

- (i) It was a good year for the Company.
- (ii) The total income was ₹ 4906.14 crores against ₹ 4686.91 crores in the previous year.
- (iii) Profitability was much better, with profit before tax at ₹ 303.90 crores, up from ₹ 234.40 crores last year.
- (iv) Profitability has improved because of higher sales and much higher profits in the Manufacturing Segment. The revenue and margins of the Engineering Procurement and Construction (EPC) segment remained flat.
- (v) Fresh order booking during the year was ₹ 4249 crores compared to ₹ 6059 crores in the previous year. We are starting the new financial year with a comfortable order backlog of ₹ 6786 crores (last year ₹ 7727 crores).
- (vi) Order booking during April and May 2024 has also been excellent.
- (vii) We have been making capital investments to increase manufacturing capacities for almost all our product lines in the manufacturing segment and will continue to make further investments. This will help us continue increasing this segment's revenue in the next few years.
- (viii) In the EPC segment, we are focusing on orders that will use Isgec's technological expertise but have comparatively shorter execution periods and less site work than the orders we have been executing in the past. Because of the shorter duration of the orders (less than 30 months) and less site work, we expect the revenues and margin profile for this segment to improve.
- (ix) Our net borrowings at the end of the year were "Nil," and surplus funds were parked in bank deposits and short-term investments.
- (x) The Indian economy is poised for rapid growth over the next few years, with significant investments coming up in almost all our customer industries, including Power, Sugar, Steel, Cement, Oil and Gas, Petrochemicals, Fertilizers, and Railways. Thus, Isgec is in a favorable position to supply products and services and participate in India's growth story.
- (xi) Further details are given in the Management Discussion and Analysis section.

### 12. Management Discussion and Analysis:

#### [a]. Economic Overview:

##### Global Economy:

- (i) The global economy in 2024 will be influenced by various factors, including geopolitical conflicts and tensions, technological advancements, environmental challenges, and ongoing shifts in consumer behaviour. However, it continues to show resilience.
- (ii) Overall, while uncertainties and risks are inherent in the global economic outlook for 2024, there are opportunities for sustainable growth, technological advancement, and societal progress.

### Positive factors impacting the Global Economy:

Several positive factors could contribute to a favourable outlook for the global economy in 2024:

- a. Infrastructure Investments:** Governments worldwide prioritise infrastructure development as part of economic stimulus packages and long-term growth strategies. Investments in transportation, telecommunications, and other infrastructure projects can create jobs, improve connectivity, and support economic development.
- b. Green Transition:** Increasing awareness of climate change and environmental sustainability drives a transition towards cleaner energy sources and sustainable practices. Investments in renewable energy, energy efficiency, and green infrastructure can spur economic activity while mitigating the risks associated with climate change.
- c. Technological Innovation:** Ongoing advancements in technology, such as artificial intelligence, automation, and renewable energy, have the potential to drive productivity gains, efficiency improvements, and new business opportunities. Investments in innovation can stimulate economic growth and create jobs in many industries.
- d. Digital Transformation:** The accelerated adoption of digital technologies during the COVID-19 pandemic has opened up new possibilities for remote work, e-commerce, digital finance, and telemedicine. Digitisation can enhance efficiency, connectivity, and access to services, fostering innovation and economic resilience.
- e. Trade Integration:** Despite challenges posed by protectionism and geopolitical tensions, many countries benefit from international trade and global supply chains. Trade agreements, regional integration initiatives, and efforts to reduce trade barriers can enhance market access and promote economic cooperation.
- f. Human Capital Development:** Investments in education, skills training, and workforce development are essential for building a competitive and adaptable workforce. Empowering individuals with the skills and knowledge needed for the jobs of the future can drive innovation, entrepreneurship, and economic growth.

### Negative factors impacting the Global Economy:

- a. Geopolitical Tensions:** Ongoing regional wars, rising geopolitical tensions between major powers, and trade disputes can disrupt trade flows, increase uncertainty, and deter investment, negatively impacting economic growth.
- b. Supply Chain Disruptions:** The COVID-19 pandemic exposed vulnerabilities in global supply chains, leading to shortages of critical goods, production delays, and increased costs. Ongoing supply chain disruptions, including scarcity of semiconductors and shipping bottlenecks due to wars, continue to hamper economic recovery and increase inflationary pressures.

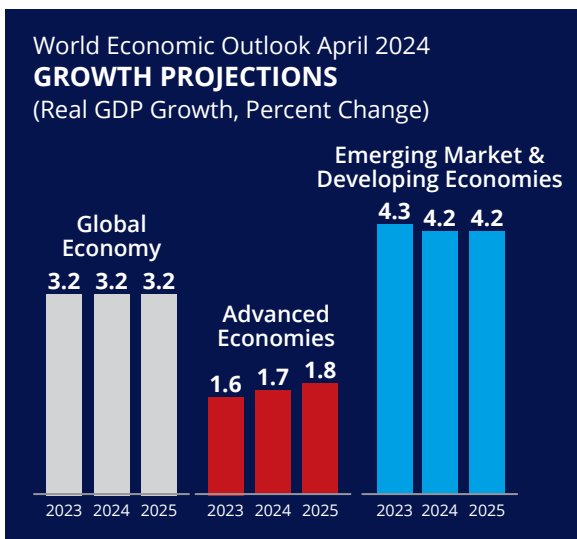
**c. Inflationary Pressures:** Inflationary pressures have intensified due to supply chain disruptions, commodity prices, and fiscal stimulus measures. Rising inflation erodes purchasing power, reduces consumer confidence, and has prompted central banks to tighten monetary policy, potentially slowing economic growth and inducing economic recession.

**d. Climate Change Impacts:** Climate change-related events, such as extreme weather events, natural disasters, and environmental degradation, pose significant economic risks. These events disrupt supply chains, damage infrastructure, increase insurance costs, and threaten livelihoods, particularly in vulnerable regions.

**e. Cybersecurity Threats:** Cyber attacks and data breaches pose growing threats to businesses, governments, and critical infrastructure. Disruptions to digital systems, theft of sensitive information, and ransomware attacks can lead to financial losses, reputational damage, and disruptions to economic activities.

**Conclusion**

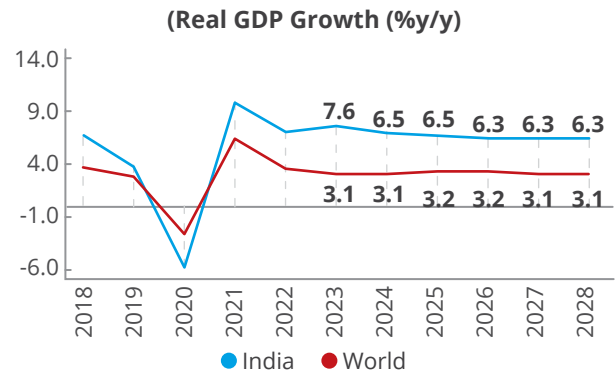
- a. Despite significant central bank interest rate hikes to control inflation and restore price stability, the global economy has been surprisingly resilient.
- b. Interest rates seem to have peaked and will likely show a downward trend in the coming year. This will boost investments.
- c. The International Monetary Fund (IMF) continues its baseline forecast for the world economy to grow at 3.2 percent in 2024 and 2025, the same pace as in 2023.



International Monetary Fund

- d. The forecast for global growth five years from now is 3.1 per cent, which is at its lowest in decades. While keeping a moderate outlook on the global growth path, the IMF projects global inflation to decline. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, as per the IMF's World Outlook Report 2024.
- e. Adaptability, Resilience, and innovation remain critical for businesses and policymakers navigating this complex landscape.

**Indian Economy**



Source: International Monetary Fund Forecasts

Notes: dotted (---) lines show projected figures

- a. With a stable political climate, proactive Government initiatives, a long-term vision, and robust government and private sector investments, India is seen in the global market as an upcoming "Manufacturing" and "Services" powerhouse. It is poised to become a top international investment destination.
- b. With nearly 70% of India's GDP driven by domestic consumption, the country remains the world's fourth-largest consumer market. Besides private consumption, India's GDP is also fueled by Government spending, investments, and exports. The service sector makes up more than 50% of the GDP and remains the fastest-growing sector, while the Industrial and Agricultural sectors employ most of the labour force.
- c. Foreign Investments have been complementing the domestic private investor and government funding. According to the UNCTAD data on green field project announcements in 2023, India remained among the TOP 5 destinations globally. In addition, the FDI watchlist by IMF and FDI Intelligence Indicators ranks India among the TOP 10 countries for investments in 2024.
- d. According to ICRA, many of the sectors that Isgec is interested in, show a positive or stable outlook for the coming year.
- e. The Government's focus on infrastructure, climate goals, domestic manufacturing, and improving international trade is visible through various schemes and policies like Make in India, Production Linked Incentive Scheme, National Logistics Policy, National Green Hydrogen Mission (including Green Ammonia, and E-fuels) and National Infrastructure Pipeline.
- f. All the above augur very well for good business prospects for Isgec's portfolio of products and services.

**[b]. Industry Structure and Developments:**

Several foreign companies are considering India for their "China plus One" strategy in the current geopolitical situation. Isgec is gaining from this development.

Manufacturing growth jumped to 8.5% Year-on-Year, surpassing GDP growth of 7.6% in FY24. The manufacturing sector is showing signs of strength, is ready for good growth, and will raise its share of the

GDP. The Manufacturing sector has benefitted from improving logistics infrastructure, lower input raw material cost, export incentives, a series of Production Linked Incentive schemes (PLI), the Make in India Policy and government support for credit guarantee (ECLGS), and more accessible loans for the MSME sector.

India leads the emerging market for services exports. While computer services contribute half, professional consulting and engineering services have been the fastest growing sector, growing at a 17% CAGR to achieve a share of 18% in India's services exports. India's services exports in 2023 will be USD 338 Billion (9.7% of GDP).

India is moving towards becoming a "Manufacturing" and "Services" powerhouse, with international companies aggressively partnering with Indian companies to open Global Services Centre (GSC) and Joint Ventures in Manufacturing.

However, FY25 may witness lower growth due to geopolitical tensions causing disruptions in the supply chain. The consequent higher logistics costs are likely to hurt exports, and the Indian Parliament elections will delay spending on infrastructure for a quarter.

### [c]. Opportunities and Threats:

#### Opportunities

- The Government continued supporting the Manufacturing and Services sector by improving logistics infrastructure and supporting policies and incentives. This is the primary reason for the continued market expansion in India. The "Make in India Policy", which applies to all manufacturing, is the umbrella scheme to promote domestic manufacturing.
- Increase in FDI inflow, mainly in the manufacturing sector.
- In addition to India's traditional markets in the USA, Europe, and Africa, India's new markets shall be Central Asia and Latin America.
- The Government's continued support to the Medium, Small, and Micro Enterprise (MSME) sectors provides subcontracting support for parts and services for the main sectors.
- Interest rates are expected to peak in 2025 and be gradually reduced by the central banks over the next couple of years.
- Due to stringent emission regulations in Power, Oil & Gas, Chemical, Steel and Cement Industries, the emission control equipment segment continues to see good demand.
- The Government's announcement of new thermal power plants, which will likely come up by 2030, will provide opportunities for Isgec's products, including ash handling, material handling, and emission control equipment.
- The expansion of the Oil & Gas sector continues to provide orders for Boilers, Process Equipment, Boiler Manufacturing & Piping, and EPC Process Plants.
- The country's Ethanol Blending Programme (EBP) is continuing, with additional investment by many players and ethanol plants based on grain as feedstock besides molasses. This continues to

provide good opportunities for Boilers, Sugar Plants, and Distilleries businesses.

- As a leading company providing products and solutions for a broad spectrum of 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 due to global turmoil, the Russia-Ukraine war, and high inflation can increase input costs, impact profitability, and dampen export markets.
- Growth in the manufacturing segment could be dampened in FY25, mainly due to rising input costs, geopolitical tensions affecting the supply chain, and Indian Parliament elections affecting first-quarter economic activity.
- Overall, global growth is likely to moderate due to slowing Europe and China, causing a contraction in goods and services trade.
- Cheaper Chinese imports, due to their overcapacity & slowing growth, are a threat to domestic manufacturing.
- Higher transportation costs for exports, mainly due to geopolitical tensions and disruption in maritime trade routes, could fluctuate and impact manufacturing output.
- Talent attrition may go up, given the increased economic activity and capital investments, leading to shortage of skilled manpower.

### [d]. Segment-wise or Product-wise Performance:

#### A. Engineering, Procurement and Construction (EPC) Segment:

- A.01 Isgec's EPC segment executes projects on a turnkey basis for Boilers, Air Pollution Control Equipment Solutions, Sugar Plants, Machinery and Distilleries, Power Plant Solutions, Bulk Material Handling Systems, Process Plants, Installation of Factories & Workshops for Railways and other Projects.
- A.02 The EPC segment's total revenue was ₹ 3405 crores against ₹ 3368 crores last year. The profit was, however, marginally lower due to the following reasons:
- Some long-duration orders under execution continued during the year, and most will be completed in FY 2025. These have been adversely affected by the increase in commodity prices and time overruns, leading to lower profitability.
  - The proportion of old orders reduced further during the current year.
  - In recent months, new orders with better margins have been booked. These revenue and margins will accrue during the current year.

#### Industrial & Green Energy Boilers:

- A.03 Isgec started its Boiler Division in 1959. Starting from grate-fired boilers, over the years, the division has diversified into a broad spectrum of fired and unfired boilers for various applications such as Process Steam, Captive Power, Cogeneration and

Utility Power. In addition to Boilers, we provide turnkey (EPC) solutions and a bouquet of services to our customers. Besides our technologies and continuing research and development on our technologies, we have made important technical collaborations with best technology companies around the world.

A.04 Following are various types of boilers offered by Isgec:

**(1) Biomass-fired Boilers have different Grates, such as Travelling, Vibratory, Reciprocating, and Pin Hole Grates,** for burning biomass such as Bagasse, Rice Straw, Rice Husk, and Woody Biomass.

**(2) Circulating Fluidized Bed Combustion (CFBC) Boilers** are used for firing coal, pet-coke, co-firing biomass, and oil and gas. CFBC technology is offered in collaboration with world leaders Sumitomo SHI-FW Finland.

**(3) Oil & Gas fired Boilers** for burning natural gas, refinery off gas, oil and blast furnace gas. In addition to sites erected boilers, we also provide shop-assembled package boilers. Shop-assembled boilers are offered in collaboration with Amec Foster Wheeler (Wood PLC) – Spain.

**(4) Waste to Energy Boilers** for incineration of municipal solid waste as well as slop/vinasse ensuring Zero Liquid Discharge (ZLD) from Distillery.

**(5) Heat Recovery Steam Generators (HRSGs)** recover waste heat from exhaust gases from Gas Turbines. We offer HRSGs with technology from NEM Energy—The Netherlands, a global leader.

**(6) Waste Heat Recovery Boilers** use heat sources from waste gases in Cement Plants, Steel Plants, and Oil Refineries.

A.05 Recognizing the market needs, we have added the following indigenously developed new technologies to serve more industries:

(1) Tail Gas Fired boilers for the Tyre / Black Carbon Industry: We bagged our first domestic and export orders during the year.

(2) Rice Straw (Agri waste) fired boilers below 40 tonnes per hour steam: We secured our first order from an Ethanol Plant in North India during the year.

(3) Flue Gas Coolers:

It is a waste heat recovery boiler in an oil refinery's Fluidized Catalytic Cracking Unit (FCCU). We are executing our first order for this product for an EPC contractor for a Public-sector Oil Refinery.

A.06 We have focused on expanding our market share for Boilers by developing new products to meet the changing market demands in India and region-specific products to penetrate selected export markets like South-East Asia, the Middle East, Africa, Latin America, and neighbouring countries of India.

### Turnkey Power Solution:

A.07 Isgec is an established player in building power plants up to 150 MW on EPC basis. It provides complete solutions to customers with single-point responsibility and executes projects within time.

The biggest advantage is our in-house manufacturing of boiler pressure parts, which is one of the package's key equipment. Solutions for other important allied packages, such as water treatment, fuel handling systems, and flue gas desulfurization, are also available in-house. Isgec has already executed EPC Power projects with a cumulative capacity of over 2000 MW.

### Allied Business (Services):

#### A.08 Operation and Maintenance (O&M):

We have established ourselves as a leading partner in O&M services for power plants or boilers including boilers supplied by us or our competitors. Our services cover the full spectrum of O&M of independent power plants, captive power plants, and co-generation plants.

Currently, we operate and maintain more than 800 MW (cumulative) projects for our customers. This business has a good potential for growth as the end users increasingly wish to focus on their core business and offload these services to experts like us.

#### A.09 Spares, and Renovation & Modernisation (R&M):

Isgec undertakes Spares and R&M services for all Industrial boilers, supplied by us or competitors. With decades of experience in supplying a wide variety of boilers, Isgec offers both replacement spares and Retrofit & Modernization solutions for all makes and sizes of Boilers. We offer cost-effective alternatives to the existing designs and offer solutions with less capital expense while increasing efficiency, safety, and output from the existing system.

#### A.10 Full Fledged Boiler Customer Service Cell:

A dedicated cell has been created to take care of customers' instant service requirements on priority. We undertake value-added services like Residual Life Assessment (RLA) study and support to customers using our Online Remote Monitoring System (RMS) and Industrial Internet of Things (IIOT). We also provide specialised technical training to customers' operating personnel, which includes job training, classroom training & simulator training for power plants.

– **IIOT:** We have developed IIOT (Artificial Intelligence based Application) which will improve Plant operation monitoring for customers. This shall eliminate operator intervention and would help to achieve better plant availability and efficiency. Pilot testing is presently under way after which this product will be offered to other customers commercially.

– During the year we developed a new App **Tech Mitr**. This Commissioning App will be launched



this year and will help our commissioning engineers for faster and more accurate commissioning. It will also provide 24x7 access to latest procedures to all users.

#### **Boiler Business Highlights for FY 2024:**

A.11 We exceeded our order booking for the last year and booked our largest ever value of boiler orders from the domestic market during the year. Significant orders booked during the year include: -

- Our first Order for Flue Gas Cooler from an EPC company.
- First Order for Bagasse Fired Cogeneration Boiler with Co-firing of Slop for a Public sector company.
- Our 100<sup>th</sup> AFBC Boiler order (Boiler is designed with 70% Pith Firing).
- Our first Boiler order from another country in Latin America.
- A large Value Retrofit order for a customer in Latin America.

#### **Other significant achievements for the year include:**

- Our first Pith Fired Grate Boiler was commissioned.
- Our first 100% Biomass-fired AFBC Boiler was commissioned.
- 14 MW "Waste to Energy" Power Plant commissioned for a city in Maharashtra.
- We commissioned the world's largest Cement Waste Heat Recovery Boiler for a customer in Rajasthan.

#### **Engineering Excellence**

A.12 Our efforts to gain an edge over competitors to supply equipment with better technology continued:

- (1) We received Two Patents for drum feeders & Tube leak detection systems, which will further boost our market demand for Boilers.
- (2) We completed the development of Rice Straw Boilers for below 40tph. We expect our first orders in 1st quarter of FY'25.
- (3) In house technology developed for Flue Gas coolers under implementation at a customer's site.

A.13 We continue to work to improve planning, Project and Construction management, employee and contractor skill development, productivity monitoring, and the first-time-right approach. This has reduced construction times by 5%, and further improvements are planned.

A.14 Standardisation of commissioning procedures & protocols, robust pre-commissioning checks and engineer skill development enabled smooth commissioning. A total of 31 Boilers were commissioned, and 28 performance guarantee tests were conducted in FY-24.

#### **Sugar Plants, Machinery & Distillery:**

A.15 Isgec is a market leader in Sugar Plant & Machinery business in India.

A.16 We provide extensive end-to-end engineering solutions for setting up Greenfield Sugar Plants with captive Co-gen Power Plants and retrofitting/expanding/modernizing/steam economy for existing sugar plants. We also provide complete Ethanol Plants, ENA Plants, Captive Power Plants integrated with Sugar Plants, Zero Liquid Discharge solutions, and Effluent Treatment Plants.

#### **A.17 Services:**

- › Spares and Retrofit – We provide 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 Plants, Machinery and Distillery Business for FY 2025:**

A.18 During the year we completed several Greenfield and Brownfield projects. Major projects commissioned include:

- › 7500 TCD complete double sulphitation sugar plant with 120 KLPD distillery and 25 TPH incineration boiler and power plant on turnkey for a customer in Uttar Pradesh.
- › A number of sugar plant Expansions and Modernization projects.
- › Raw Syrup Plant of 7500 TCD capacity for a customer in Maharashtra with 500 KLPD distillery.
- › Expansion from 9000 TCD to 11500 TCD of a sugar plant in Maharashtra.

A.19 Order booking for Sugar Plants as well as Ethanol Plants during the year was good.

#### **A.20 Major Orders include:**

- › A big Bio Ethanol Project for a Sugar and Biofuels plant in Uttarakhand, which includes:
  - 6000 TCD Milling plant with 3000 TCD Raw Syrup and 22 MW Cogen.
  - 225 KLPD capacity Syrup based Ethanol Plant designed on Zero Liquid Discharge.
- › Sugar plant Expansion and steam economy with a new technology from 7200 TCD to 8500 TCD from a sugar plant in Uttar Pradesh.
- › Two nos. Mills of 54x100 size from Latin American country.
- › Repeat order for Operation and Maintenance of 2G Ethanol Plant from a Public Sector Oil Major.

#### **A.21 Sugar Technology:**

- › We continue to work on improving sugar technology. We use advanced equipment design software, such as AMEtanks, PVElite, and SigmaNEST. We have also developed an Artificial Intelligence (AI) system for sugar plant equipment to improve process efficiency and reduce manpower.
- › With our R&D efforts, we have 11 Patents for important sugar plant equipment.

**Ethanol:**

A.22 Isgec offers Distillery Plants based on multiple feedstocks - molasses, cane juice and foodgrains.

A.23 The business outlook continues to be good, with a few new greenfield plants being planned in the northern states. Across the country, multiple sugar plants are planning expansion or replacement of old equipment. Several ethanol distilleries are expected to be set up, using molasses and foodgrain as feedstock.

**Air Pollution Control Equipment (APCE):**

A.24 Isgec's Air Pollution Control Equipment Solutions include:

**1. DeSOx Technologies (reducing Sulphur Dioxide emissions):**

- › Wet Flue Gas Desulphurisation Projects for Thermal Power Plant Units of >100 MW Capacity.
- › Semi-Dry Flue Gas Desulphurisation Projects for Thermal Power Plant Units of >50 MW Capacity.
- › Dry Sorbent Injection System for Thermal Power Plant Units.
- › Semi Dry Flue Gas Desulfurization projects for units up to 50 MW primarily catering to captive power requirements for Cement, Power, Waste to Energy, Carbon Black & Metallurgical applications.
- › Tail Gas Desulphurisation Projects for Non-ferrous applications. This is a new technology addition that is offered based on technical support from overseas Technology Providers.

**2. DeNOx Technologies (reducing Nitrogen Oxide emissions):**

- › DeNOx Combustion Modifications for Tangentially Fired Pulverised Coal Boilers and Wall-Fired Boilers.
- › Selective Non-Catalytic Reduction (SNCR) Systems for various applications including Power, Cement and other industries.

**3. Particulate Matter Control Technologies:**

- › Electrostatic Precipitators (ESP) for Fossil Fuel fired Boilers and other Industrial Applications i.e., Steel, Cement, Metallurgy etc.
- › Renovation and Modernisation (R&M) of ESP's for Thermal Power Plants.
- › Spares Business for ESPs.
- › ESP for Carbon Neutral Agro based & Biomass Fired Boiler including Distillery Waste.
- › Flue Gas Conditioning for Efficiency Improvement of Electrostatic Precipitators (ESPs).

A.25 Highlights of Air Pollution Control Equipment Business for FY 2024:

(1) We booked the following major orders:

- › Tail Gas Desulphurisation (TGD) System Package for a Copper Smelter Application.

- › Repeat Order for Dry Sorbent Injection (DSI) System Package for 2x210 MW (Phase -I) Thermal Power Plant Units from a reputed State Utility. We are already executing DSI system for 2x210 MW (Phase - II) for the same utility at the same plant which is in advanced stages of commissioning.
- › Various orders of ESP for Slop, CFBC, and Biomass-Fired Boilers, including Paddy/ Mustard Straw and Cotton /Soya Husk.
- › Breakthrough Order of ESP for Sinter Cooler application for a large steel plant.
- › Breakthrough Order from overseas market for Bag Filter in steel plant process application.

(2) Major Projects Commissioned:

- › We have completed the commissioning of our first Semi-Dry FGD System for a 150 MW CPP Unit. The Performance Guarantee Test for this Unit was successfully completed as well.
- › We have successfully completed the Commissioning of our first 800 MW Wet FGD Unit and targeted Gypsum Production was also achieved in March 2024.

**A.26 Market Outlook for our Air Pollution Control Equipment products:**

This business supplies equipment mainly to thermal power plants.

The Ministry of Power plans to add 80 Gigawatts (GW) of thermal capacity by FY32, in line with a growing appetite for electricity from the commercial and industrial (C&I) sector and households. Peak power demand is expected to rise to 366 Gigawatts (GW) by 2032 from 240 GW in 2023.

India has invested approximately ₹20 lakh crores in the power sector over the past nine years, with an additional investment of ₹17 lakh crores expected in the next five to seven years. Despite ambitious net-zero targets and an ongoing energy transition, India's coal-based power continues to meet its growing electricity demand.

This planned capacity addition will also fuel the requirement of Isgec's Products and Technologies in the Sector.

**(1) DeSOx Technologies:**

The majority of the Central, State, and Private Utilities have completed ordering DeSOx systems for their existing plants. However, approximately 80 GW of existing capacity is still likely to be ordered for DeSOx systems, and Owners, mainly in the State and Private Sectors, have yet to make the investment decisions.

The upcoming power plants based on planned capacity addition will also require Wet FGD Systems to comply with the SOx emission norms.

There is also an increased thrust for SOx emission compliance in the industrial sector, and Isgec expects an opportunity in the Copper Refining sector to implement Tail Gas Desulphurisation Systems.

**(2) DeNOx Technologies:**

There is an increasing requirement for SNCR (Selective Non-Catalytic Reduction) Systems for NOx control from the Industrial sector. However, considering the relaxation of NOx emission norms for existing thermal power plants, SNCR requirement in the Power sector has diminished.

Isgec is currently executing DeNOx (Combustion Modifications) Package orders for 6 units of a reputed State Utility and expects a few enquiries for this technology in the current year.

**(3) Particulate Emissions:**

Considering the peak power demand, several ageing plants have been instructed to continue operating until 2030. In order to continue operating, some of these plants that are not complying with the particulate emission norms may require Renovation and Modernisation of Electrostatic Precipitators (ESPs). We are receiving ESP R&M enquiries from State Power Generation Companies that have yet to carry out ESP Retrofit.

Isgec also offers ESP's for Particulate Emissions control for various industrial applications.

**Bulk Material Handling:**

A.27 The main markets for our Bulk Material Handling products are Ports, Mines and Power Plants. There is steady investment in all these sectors.

A.28 For Ports, Isgec offers complete end-to-end solutions including Trough and Pipe Conveyors, Stackers, Reclaimers and Ship Unloaders for bulk materials.

A.29 For Container Terminals, we offer Gantry Cranes and Ship to Shore Cranes at the terminals.

A.30 For Power Plants, we offer complete coal-feeding solutions, including Stackers and Reclaimers.

**Factories and Workshops for Railways:**

A.31 We build workshops for Indian Railways on a turnkey basis, including all equipment, machinery, civil work, railway tracks and signals. We also build metro railway depots.

A.32 India plans to invest more than ₹ 1 lakh crores in Rail and Metro rail infrastructure in the next five years. We expect continued business from these sectors.

**Process Plants:**

A.33 We offer Sulphuric Acid plants and Wet Sulphuric Acid Plants.

A.34 Considering the expected expansion in the Refinery, Petrochemical, Fertilizer and Chemical sectors, we expect good business in this business segment.

**B. Manufacturing of machinery & equipment segment:**

B.01 This Segment consists of the manufacture of Presses, Contract Manufacturing (Equipment built-to-print and built-to-specifications), Process Plant Equipment, Liquefied Gas Containers, Boiler

Pressure Parts & Piping Spools, and Iron & Steel Castings. Each of these products is discussed in the following paragraphs.

B.02 Our products involve a significant level of intellectual property in terms of Manufacturing technology and design (Finite Element Analysis, Mechanical design, Thermal design, Hydraulics Pneumatics, Electrical and Instrumentation, and Tribology). In addition, our products involve elaborate and heavy fabrications, sophisticated welding, complex machining, and assembly skills, as well as skills related to foundry products.

B.03 The total revenue from this segment was ₹ 1704 crores as against ₹ 1534 crores in the preceding year. The profit was substantially higher during the financial year.

**Presses and contract manufacturing**

B.04 Our Mechanical and Hydraulic Presses are used in many Industries. While Automotive is the main sector for Presses, they also find applications in forging, white goods, refractory, railways, and defense sectors.

B.05 The Automotive sector reported appreciable growth in FY-24 as compared to FY-23. Automotive OEMs have expansion plans, which would favor us with consistent order booking.

B.06 Total order booking for Presses for the year was at an all-time high.

B.07 The press business line (Business Unit) booked the following strategic orders during the year:

a) 3000T Transfer Press solution with high productivity.

b) Refractory Press along with automated transfer solution for the refractory industry as an import substitute.

c) Presses for the forging industry/ close die forging.

B.08 We added 13 new customers from domestic and export markets. In addition to Presses, we could bag orders for sophisticated Robotic and transfer Automation Systems, enhancing our product basket. Some of the Presses will be built together with the more value-adding and sophisticated Robotic and Transfer Automation Systems.

B.09 The order booking prospects for this year appear encouraging and we expect major requirements to be generated from Tier-1 and Tier-2 suppliers of OEMs in the Automotive sector.

B.10 We expect growth in the domestic market and the opportunity to serve the target overseas market viz. Central Eastern Europe, South Africa, Mexico, and South-East Asia.

B.11 We also expect growth in the non-automotive sector for presses from the Forging, Refractory & Sheet Moulded Composite sectors.

B.12 We have added 2 new service partners in Europe & South Africa. We are further working to strengthen our 'after-sales' support in Europe, South Africa, and South-East Asia through tie-ups with local partners to expand our footprints in the region.

### Contract manufacturing

- B.13 Capitalizing on Isgec's skills in heavy fabrication, machining, welding and assembly, our Contract Manufacturing Group manufactures built-to-print as well as built-to-specification equipment for diversified sectors like Steel, Defence, Space, Nuclear, Mining & Hydro Power.
- B.14 This year, we had the highest order booking for Contract Manufacturing Group in the last 10 years, and it is expected to be good for FY-25 as well. Major orders booked include: -
1. LD Converters and Trunnion Rings from a Steel Plant technology provider.
  2. Palletizing Discs and Caster Steel Segments for Steel Sector.
  3. Repeat order for critical components of 155 mm howitzer for the Defense Sector.
  4. Repeat order for High Wall Mining equipment.

### Process plant equipment:

- B.15 Our Process Equipment Division manufactures static process plant equipment, critical to various chemical process industries such as Green Energy, Fertilizer, Crude Oil Refinery, Petrochemicals, and Chemicals. Our knowledge of metallurgy, welding skills, and non-destructive testing, as well as our manufacturing infrastructure, has been recognised and acclaimed by almost all major process licensors, owners, engineering consultants and EPC companies for their requirement of the following equipment: -
- Reactors
  - Shell & tube heat exchangers
  - Breech lock type (special closure) high-pressure exchanger.
  - Thick-walled high-pressure vessels.
  - Distillation and other process columns
- B.16 During the year, order booking from the Oil and Gas sector was slightly lower due to certain investments being postponed/deferred by some Oil and Gas and Petrochemical industry customers. However, significant orders were booked in the first quarter of the current year.
- B.17 While order inflow from the Oil & Gas sector in the domestic market was slow last year, order inflow from Fertilizer and Blue Hydrogen for overseas projects was good. Most overseas projects in the Oil Refinery and Petrochemical sectors, which were deferred, are expected to take off during this financial year.
- B.18 Refinery projects in the domestic market have seen a decline but expected capacity expansion by some selected plants together with integrated petrochemical units will offer good business potential in the Indian market during the next two to five years.
- B.19 As the energy landscape changes, investment in Green Hydrogen and Ammonia projects will take off, giving us good business for supplying heat exchangers and pressure vessels.
- B.20 India's annual petrochemical consumption could nearly triple to 80 million tons by 2040, forcing

the country to either raise imports or invest in building new facilities. New Petrochemical plants have been announced with huge investments, and some projects have started implementation and Process Licensors have been selected. These projects will give us a good opportunity, either as a direct supplier or as a supplier to their EPC contractors.

- B.21 The Government's continuous focus on "Make in India" will be favorable to us in indigenizing critical equipment that was earlier imported.
- B.22 The Middle East market has opened up, and we have several ongoing bids for new orders and equipment for new projects. Good demand is also expected for the export of equipment for Green Hydrogen/Green Ammonia projects, though there is stiff competition on prices and deliveries.
- B.23 In the domestic market, due to the general elections, approvals for new investments in the Oil & Gas and Petrochemical sectors moved slowly. However, Government clearances are expected, post elections.
- B.24 During the year, we have tied up with two more Process Licensors, who will include our name as the "preferred manufacturer" for supplying their licensed equipment to the end customers.

### Liquified gas containers:

- B.25 We are one of the world's largest manufacturers of Ton containers used for transporting liquified gases under high pressure.
- B.26 We have supplied over 375,000 units to more than 65 countries.
- B.27 We received authorization to apply the ASME 'T' stamp applicable for the manufacture of Class 1 transport tanks.
- B.28 We expanded the Shops to improve production capacity to 1800 nos. per month and achieved the highest production in a financial year during the current year.
- B.29 We continued to be the global leader in the manufacture and supply of Liquified Chlorine Containers.

### Iron casting

- B.30 Our Cast Iron Foundry is one of the best foundries in India. We are globally renowned for manufacturing Quality Grey & Ductile Iron Castings. We are amongst the top three Soda Ash Castings manufacturers in the world and first in India.
- B.31 During the year, we booked good business from a wide spectrum of industry sectors, including the Soda Ash, Steel Plant, Machine Tools, Pumps, Compressors, Valves, and Tool and die sectors. The market for these sectors is expected to be good, except for some slowdown in the Soda Ash sector.
- B.32 We have seen a dip in demand from Russia, which used to be a major market for export for Iron Castings. In the current year, we are looking to develop additional markets for export of Iron Castings for Steel Plants, Machine Tools, Pumps and Compressors.



B.33 Our Iron castings manufacturing facilities are state-of-the-art, fully integrated facilities with an experienced pool of skilled and talented manpower.

B.34 We are continuing to improve the automation, from Pattern Manufacturing to the 3D Routers, Pattern painting through flood coating mechanized arrangement, and inspection of Patterns and castings through the 3D scanning process.

B.35 The outlook for these products for the Financial Year 2025 is good.

### Steel casting

B.36 Financial Year 2023 was good for this product group, with substantial increases in production and sales of Steel Castings and record order booking. During the year, production increased by a further 10%, and order booking was also higher, which is a new record.

B.37 Export was close to 30% of the total sales.

B.38 The "China plus One" strategy of the developed world, coupled with the Government of India's "Made in India" programme, has improved our business for this product.

B.39 We continue to see good demand for Valve Castings from the Oil and Gas sector and High-Alloy Steel Castings from Steam Power Turbine Manufacturers.

B.40 Both the domestic and export markets appear poised to give us good business, and we expect FY 2025 to be a good year for this product line.

### Boiler manufacturing & piping:

B.41 This business unit manufactures the following:

1. 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, superheaters and economizers.
2. Cooling stacks for steel plants.
3. Prefabricated piping spools.
4. Skids & Modules.

B.42 During the financial year, this business line recorded its highest production and sales since its inception. Additional fabrication capacity set up for the Piping Spools was well utilised.

B.43 During the year, manufacturing capacity was expanded because of good orders from Refineries, Petrochemicals, Biomass, Waste-to-Energy, Renewable Energy, etc., and expected good orders in FY2025.

B.44 On the export front, we are focusing on the Pulp and Paper sector, in which investments are expected in Latin America and some parts of Europe. Major export demand is expected from developing economies in the plastics, fertilizer, and chemical sectors.

B.45 We have prepared ourselves to move up the value chain to offer complete solutions for skids and modules to clients including detail Engineering, Procurement, Fabrication and Shop Assembly.

These will be used by process industry sectors like Oil & Gas, Petrochemicals, Fertilizer, Desalination, Renewable, Sustainable Aviation Fuel, Ethanol, and Hydrogen, etc.

- C. 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**.
- D. 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. Report on the performance and financial position of subsidiary and joint venture companies:

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

#### 1. Highlights

The profit before tax for the financial year is ₹.84.16 crores and is almost at the same level as last year in spite of lower revenue.

#### Sugarcane Crushing:

Like other factories in Haryana, Punjab, and Western Uttar Pradesh, our factory also experienced lower sugarcane availability. Therefore, we crushed only 146.64 lakh quintals in the season 2023-24, compared to 166.36 lakh quintals in the previous season.

Efforts are being made to increase sugarcane planting and increase sugarcane supply to our factory in the next season by offering incentives to farmers for cultivating additional areas under sugarcane and supplying their full production of sugarcane to our factory. We are also trying to develop a scheme to help farmers with mechanised harvesting to economise on increasing manual harvesting costs, so that farmers continue to plant sugarcane over the long term.

#### Government Policies:

At the start of the season 2023-24, the Central Government, as well as the Indian Sugar Mills Association, estimated much lower All India sugar production for the season and to mitigate this the Government chose to change some Policies, which had some adverse impact on the sugar industry as well as our factory. The change in Policies included:

- banning of export of sugar.
- reducing the amount of sugar that can be diverted to produce ethanol by banning the manufacture of ethanol from sugarcane syrup, and restricting the manufacture of ethanol from B-Heavy Molasses. The Government directed that sugar mills should produce most of the ethanol from C-Heavy molasses (which has lower sugar content).
- The Government directed the Public Sector Oil Marketing companies to reduce the amount of B-heavy molasses-based ethanol they would buy and encourage sugar mills to make and supply C-heavy molasses-based ethanol. To mitigate some of the losses to ethanol manufacturers, the Government also increased the price of C-heavy molasses-based ethanol by ₹ 6.87 per litre.

Many sugar factories, in the country had difficulties in shifting the production process to C-heavy molasses in the middle of the season and had to operate their plants sub-optimally.

Our factory, like many others, will need to invest in additional plants and machinery to manufacture sugar with C-heavy molasses.

## 2. Financial Performance:

- **Total Revenue:** ₹ 816 crores, approximately 17% lower than the previous year's ₹ 986 crores.

- **Revenue Breakdown:**

- **Sugar Segment:** ₹ 608 crores, decreased from ₹ 768 crores.

- **Ethanol Segment:** ₹ 207 crores, slightly decreased from ₹ 218 crores.

- **Profit Before Tax:** ₹ 84.16 crores, only 6% lower than the previous year's ₹ 89.82 crores, despite reduced revenue, because of higher sugar prices and higher profit in the ethanol segment.

- **Sugar Sales Revenue:**

- Domestic sales dropped due to a reduced quota released by the Government and the absence of exports.

- Quota Allocation: The Government reduced the sugar sale quota, discontinuing additional sugar quota incentives for B-heavy molasses production, around the middle of the year.

- Domestic Sales: 15.73 lakh quintals, down from 18.30 lakh quintals.

- Exports: No sugar exports were permitted this year due to anticipated reduction in national sugar production, contrasting with 2.6 lakh quintals exported last year.

## 3. All India Sugar Scenario:

- India is the second-largest producer and consumer of sugar in the world. The Indian Sugar Industry is highly fragmented, with Private Sector, Government Undertakings, Cooperatives, and unorganized players. The unorganized players are mainly involved in the production of Gur and khandsari, which are less refined forms of sugar.

- The crushing period varies from region to region. It begins in October/November and lasts until April/May in all states except in the southern states, where it continues until July/August.

- In the domestic context, sugar is the second largest Agro-based industry, supporting over five crore farmers along with indirect employment to the unorganized rural population.

- India is structurally a sugar surplus nation, and the Government's policy, particularly for ethanol and permitting the export of sugar from India, have been designed to find alternate outlets for the excess sugarcane/sugar available in the country.

Indian Sugar Balance (Lakh Tonnes)

Particulars	Sugar Season (October to September)		
	2021-22	2022-23	2023-24 (Projected)
Opening Stock	82	70**	56
Sugar Production*	358	328	320
Diversion for Ethanol	32	38	20
Sugar Consumption	273	278	285
Sugar Export	111	64	-
Closing Stock of Sugar	55	56	91
Closing Stock as % of Sugar Consumption	20%	20%	32%

\*Source - Indian Sugar Mills Association (ISMA) and Market Sources.

\*\*ISMA has reconciled the figures with the Government & revised the opening stock.

## 4. Sugar Export:

Sugar exports from India decreased from 111 lakh tonnes in 2021-22 to 64 lakh tonnes in 2022-23, reflecting restrictions imposed by the Central Government. In anticipation of reduced sugar production during the 2023-24 season and potential increases in sugar prices, the Government has banned sugar exports for the current season.

## 5. Restriction on the amount of sugar that can be diverted to ethanol:

The Central Government has reduced the amount of sugar permitted to be diverted to ethanol production from both sugarcane juice and B-heavy molasses to 17 lakh tonnes, down from 38 lakh tonnes last year, in order to increase domestic sugar availability. Because of these restrictions, total sugar production in India unexpectedly reached over 320 lakh tonnes, surpassing the initial estimates of 280-290 lakh tonnes.

## 6. Domestic Sugar Market:

The Central Government has continued its policy of the Monthly Release Mechanism, which restricts mills from selling more than the allotted quantity of sugar for each month. Additionally, the Government continued the Minimum Sale Price (MSP) policy, setting it at ₹ 3,100 per quintal throughout the year. Despite repeated appeals from the industry, there has been no increase in MSP since February 2019.

Our sugar prices have, however, always been higher than the MSP.

For the year 2023-24, we had an average sugar price which was ₹ 240 per quintal higher than the sugar price realised in the previous year.

## 7. Sugarcane Price:

The Government of India has raised the Fair and Remunerative Price (FRP) for sugarcane procurement from ₹ 305 per quintal in the 2022-23 season to ₹ 315 per quintal for the 2023-24 season, both calculated at a basic recovery rate of 10.25%. Additionally, a premium of ₹ 3.07 per quintal is awarded for every

0.1% increase in recovery above 10.25%. For our sugar mill, the FRP for the 2023-24 season is ₹ 345.70 per quintal, an increase from ₹ 330.62 per quintal in the previous season.

## 8. Our Factory:

### Sugarcane Price:

- The Haryana Government increased the State Agreed Price (SAP) of sugarcane by ₹ 14/- per quintal. Our sugarcane price continued to be the second highest in India, next only to Punjab.
- The Haryana Government continued with the policy of giving subsidy to partly compensate the difference between SAP & FRP. However, since sugar prices are higher this year, our factory will get smaller amount of subsidy of about ₹ 3 crores this season, compared to ₹ 42 crores previous season.
- The comparative SAP for sugarcane in Haryana, Punjab and Uttar Pradesh are as under:

Sugarcane Variety		₹ Per Quintal	
		Early	Other (Medium / Late)
Haryana	Season 2023-24	386	379
	Season 2022-23	372	365
Uttar Pradesh	Season 2023-24	370	360/355
	Season 2022-23	350	340
Punjab	Season 2023-24	391	381
	Season 2022-23	380	370/365

### Refined Sugar:

- The Company has converted the sugar manufacturing process from double sulphitation in the factory to refined sugar from sugar season 2023-24.
- Our refined sugar has been well accepted in the markets and is also finding demand from newer pockets of markets in Haryana, Punjab and Chandigarh.
- The Cane crushing has been lower by about 20 Lakh quintals in the 2023-24 season compared to the previous season due to lower sugarcane availability because of a reduction in cane yield. The main reasons for the reduction in cane yield have been waterlogging in a very large area of our zone due to excessive rainfall of about 600 mm in a span of 5 days only during 2nd week of July 2023 in the catchment areas of Yamuna Nagar and foothills of Himachal Pradesh and effect of 4<sup>th</sup> brood of Top Borer.
- In spite of comparatively lower Pol in cane, sugar recovery is comparatively higher. This is mainly on account of the following factors:
  - Increase in recovery due to refinery process.
  - Lower losses in press mud because of use of decanters instead of vacuum filters.
- The working of the Plant and Machinery was good. However, because the sugarcane supplies finished earlier, we missed the high recovery period during which the to-date recovery keeps rising.

- The table below compares working results for seasons 2023-24 and 2022-23.

### Comparison of Working Results:

Particulars	Sugar Season (October to September)	
	Season 2023-24 (Refined Sugar Process)	Season 2022-23 (Sulphitation Process)
Date of Start of crushing operations by SSM	31.10.2023	08.11.2022
Date of Close of crushing operations by SSM	05.04.2024	08.05.2023
<b>No. of crop days</b>	<b>157</b>	<b>181</b>
<b>Cane Crushed [Lakh Quintals]</b>	<b>146.64</b>	<b>166.36</b>
Sugar Bags [Lakh Quintals.]	14.53	16.24
<b>Recovery (%)</b>	<b>9.90</b>	<b>9.75</b>
Crush Rate [Tonnes Crushed Per Hour]	412.40	414.20
Average cane crushed per crop day [Lakh Qtls.]	0.93	0.92

### 9. Ethanol Plant:

- The company expanded the Ethanol Plant's capacity from 100 Kilo Litres Per Day (KLPD) to 160 KLPD, enhancing profitability and operational efficiency through reduced steam and power consumption.
- Throughout the year, the plant operated at full capacity. However, we experienced a temporary shutdown in March 2024 due to restricted off-take by Public Sector Oil Marketing Companies (OMCs), leading to full storage tanks. Production resumed in April once some of the ethanol was lifted by the OMCs.
- The financial performance of the Ethanol Plant was much better, and attributable to:
  - Better ethanol recovery from molasses, because of sulphur-less molasses produced in sugar refinery, increasing recovery by 4.5 BL/MT on molasses.

### 10. Outlook for coming Sugar Season 2024-25:

Cane planting is currently underway, and initial estimates suggest that the area under cultivation will slightly exceed last season's coverage. For the 2024-25 season, we anticipate improved cane yields due to healthy initial crop conditions and better germination of the ratoon crop.

In order to ensure sustained cane availability over the coming years, we are taking the following steps:

- Introducing a new, high-yielding sugarcane variety, COLK-14201, in the area.
- Continue to encourage the establishment of small seed nurseries by farmers to produce healthy cane seeds.

- Continue to persuade more & more farmers to cultivate multiple ratoon crops to enhance yields.
- Implementing balanced fertiliser use, proper stubble shaving, trash incorporation into the soil, and the use of pre-germinated plants to increase ratoon crop yields.
- Closer monitoring pest and disease incidences and taking timely, effective control measures.
- Offering incentive schemes to encourage farmers to increase cane production and supply exclusively to our company for the coming season.

#### Financial Outlook for next year

The financial outlook for the next year remains uncertain, heavily influenced by sugarcane availability and the pricing policies to be set by the State Government.

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

- (1) The total revenue for the year was ₹ 478.22 Crores as against ₹ 596.44 Crores in the preceding year. As mentioned in last year's report, we commenced the year with low order backlog and experienced underutilized capacities during the initial quarters. However, subsequently several projects that were deferred from the previous year were initiated, resulting in good order booking during the year.
- (2) The profit before tax is ₹ 20.46 Crores as against ₹ 10.95 Crores in the previous year. While the profits were better than in the financial year 2022-2023, they could have been even higher if we had not experienced underutilized capacities at the beginning of the year.
- (3) The order backlog at the start of the financial year 2024-25 is ₹ 1049 Crores, which is much better than the order backlog of ₹ 486 crores at the start of the financial year 2023-24. We are likely to be close to the desired loading of the facilities throughout the year.
- (4) The market for the year was good, and several projects that were being deferred in the financial year 2023-24 moved to finalization. The order booking during the financial year 2023-24 is ₹ 1007 crores, which is much better than the order booking for the financial year 2022-23, which was ₹ 418 Crores.
- (5) We were also able to export our products to several new countries, and the Company has now supplied to 24 countries globally.
- (6) Important orders booked during the year were: -
  - a. Hydro-Chlorination Reactors for a Polysilicon Plant being set up in India. The Polysilicon will be used for the manufacture of wafers for the Solar Panels. These Reactors will be built in India for the first time.
  - b. 6 Coke Drums for a project in India of Diameter 9.6 meters and length approx. 42.5 meters. These will be among the largest coke drums to be installed in the country.
  - c. All the critical equipment for two streams of Ammonia plants for an overseas project.
- d. All the critical equipment for a Urea plant being set up overseas.
- e. Three Reactors in Cr-Mo-V Alloy Steels for supply to UAE through a leading international EPC Contractor.

- (7) Apart from continuing to supply critical Reactors and Equipment for the Fertilizer, Oil & Gas Sector and Petrochemical sectors, we are also moving towards to supply of equipment for Green Energy projects such as for Polysilicon Plants as well as Blue and Green Ammonia Projects.
- (8) We have also made reasonable advancements in repair and maintenance projects of critical process equipment, which provide good margins, and taken up two orders overseas in Bolivia and the USA, which were successfully closed during the year.
- (9) We expect the coming financial year 2024-25 to be good in terms of billing and profits and reasonable in terms of order booking.

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

- (1) The Company's total income and profit fell sharply during the year despite having adequate orders in hand. This was due to delays attributable to client related issues.
- (2) The total revenue for the year is ₹ 4162 lakhs against ₹ 6355 lakhs in the preceding year. The profit before tax is ₹ 493 lakhs against ₹ 903 lakhs in the previous year.
- (3) Fresh order booking during the year was good at ₹ 8044 lakhs (previous year ₹ 4617 lakhs) and the opening order book for the year is good at ₹ 8479 lakhs (previous year ₹ 4517 lakhs)
- (4) Anticipating robust order booking and future business growth, the company is expanding its fabrication capacities by constructing a new workshop and making additional capital investments, especially for reactive metal fabrication. Part of the investments for the expansion of production facilities are being made by Isgec Heavy Engineering Limited, the holding company, from whom the additional area and sheds will be leased. Investment in the new Plant and Machinery required for the capacity addition is being made by the company itself.
- (5) The company has established good credibility in the market and continues to consolidate its reputation, securing repeat orders from various clients for sophisticated equipment to be manufactured for diverse sectors including Chlor-alkali, Salt, Oil & Gas, Fine Chemicals, Acid Plants and Fluro Chemical Industry.
- (6) Some of the achievements during the year included the addition of new customers in the Oil & Gas and Petrochemical Industries. We also received our first orders for Titanium Gr.2 CPVC Reactors from a major Petrochemical company and our first breakthrough order for Oxidation Reactor weighing 150MT with Titanium Grade 2 Explosion Clad and Titanium Grade 7 Internals.



- (7) We also booked a breakthrough order of Solid Inconel Jacketed Reactor from a Fluorochemical company.
- (8) The Company continues to focus on improving the skill of its manpower to improve productivity and reduce cycle time.
- (9) The market for our products continues to be good. In the Chlor Alkali Sector, a large project is expected to take off in Gujarat during this year and expansions are expected in Soda Ash Plants as well, which will create favorable business opportunities for the company.
- (10) In the Fluoro Chemicals market segment, a large customer continues to invest in developing new chemicals for the growing market and we expect good business from this segment.
- (11) Our primary business this year was from Petrochemical plants, and we expect to get major orders from this segment in the coming year as well.
- (12) The Company expects to secure good business for the current year as well as in the years to come.

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

- (1) Total revenue of the company during the Financial Year was ₹ 47.83 crores as against ₹ 14.47 crores in the preceding year. Profit was ₹ 2.24 crores as against ₹ 0.47 crores during the preceding year.
- (2) Fresh order booking during the year was good at ₹ 103.2 crores (previous year ₹ 23.80 crores) and the opening order book for the year is good at ₹ 73.34 crores (previous year ₹ 21.21 crores)
- (3) After overcoming the execution challenges in the last financial year, we achieved good success in the steel sector with major orders on a turnkey basis which has helped us in exceeding our targets.
- (4) Carbon Black industry is showing growth and Semi Dry FGD (SDFGD) system enquiries for this industry are likely to be finalised in the next Financial Year.
- (5) After long continued efforts, we secured a breakthrough order from a major cement group for Bag Filter in the process application.
- (6) Our Bag Filters are now well established in the Ethanol sector. The past success and efforts in stabilising Bag Filters in Ethanol applications have resulted in bagging a major order from a well-established player for their existing distillery.
- (7) We expect to grow and continue to get business from the Steel and Cement sectors.

**(E) Isgec SFW Boilers Private Limited (Subsidiary and Joint Venture Company):**

- (1) Total revenue and profit for the year 2023-24 were less than the previous year mainly because one of the projects got suspended in December 2023. Total revenue in financial year 2023-24 was approximately ₹ 12.70 Crores as compared to ₹ 13.88 Crores in financial year 2022-23 and the profit before tax for financial year 2023-24 was ₹ 2.91 Crores as compared to ₹ 4.14 Crores in financial year 2022-23.

- (2) Capacity utilization in the financial year 2023-24 was 80% as compared to 85% in the financial year 2022-23.
- (3) Despite various measures taken to retain talents in the company, attrition has increased during the financial year 2023-24 mainly due to a spurt in recruitment by multinational companies in Oil & Gas and other sectors.
- (4) To maintain optimum headcount in the joint venture company, additional engineering subcontractors have been developed during financial year 2023-24.
- (5) Re-certification of the Joint Venture's Quality System was done during the financial year 2023-24 by LRQA under ISO 9001-2015.

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

- (1) It was a bad year for Eagle Press & Equipment Co. Limited.
- (2) The total revenue for the year was ₹ 77.01 crores compared to ₹ 135.73 crores in the previous year.
- (3) The loss before tax for the year is ₹ 13.18 crores compared to loss before tax of ₹ 10.35 crores in the previous year.
- (4) Order booking continues to be slow, mainly because the customers in the Automotive sector are experiencing excess capacity as the offtake of electric vehicles in the US market is slow.
- (5) Efforts are being made to book orders from other sectors. While there is a reasonable pipeline of orders, order finalization and fructification is slow.

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

- (1) Construction of the Ethanol Plant has been completed in April 2024 and the Plant started operations. Trial operations have, however, been going on since March 2024.
- (2) All the required licenses from the Government Authorities have been received for operating the Plant and operations have started on sugarcane as feedstock to produce ethanol. Allocations from the Department of Energy, Government of Philippines, have also been received permitting the Plant to sell ethanol. These permissions have been granted on a quarterly basis.
- (3) First sales to major oil companies in the Philippines have started during the year.
- (4) The sugarcane season finished early in April this year and the plant is now shifting to molasses as feedstock for producing ethanol.
- (5) The next sugar season will start in November 2024.

**(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:**

- (1) There were no fresh orders during the year.
- (2) The total revenue during the year was ₹ 32.75 lakhs compared to ₹ 90.95 lakhs in the previous year. The revenue for the year was by way of interest on the surplus money parked in Fixed Deposits.
- (3) Loss for the year was ₹ 1.90 lakhs compared to ₹ 1.27 lakhs in the previous year.

**Particulars required under Rule 8 (3) of the Companies (Accounts) Rules, 2014:****A. CONSERVATION OF ENERGY:**

The steps taken or impact on Conservation of Energy:

Taking steps for the conservation of energy is a continuing process. The steps taken for meaningful impact on the Conservation of Energy during the year are as under: -

**(a) Steps to save energy:**

- (1) 20 nos. air conditioners were replaced with five star /inverter type air conditioners. A total of 176 air conditioners have been replaced so far in the last several years, thereby reducing power consumption by 20%.
- (2) We are continuing to replace inefficient & high power consuming equipments with energy efficient units having less power consumption and using 3-R technique (Reduce, Reuse & Recycle) for waste management which also helps to conserve energy.
- (3) We are continuously bringing down our water consumption despite expansions by recycling the wastewater and adopting other measures to control wastage of water.
- (4) We have enhanced the capacity of induction furnaces by 20% which has helped us in reduction in consumption per ton by 5% (from 652 units to 621 units per ton).
- (5) We have put in lots of effort to save energy by adopting various energy conservation measures. Approximately, 2.65 lakhs kWh saved in the last year which will be sustained and delivered good results in future also. Details of actions taken on energy conservation by various Divisions is enclosed herewith **(Appendix-A)**.

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

- (1) 1750 KW Solar Power Plant(s) have been installed in Yamuna Nagar and Rattangarh Plants. They generated green energy of 2021535 units worth ₹ 1.51 crores. This solar power provides clean energy and results in reducing our carbon footprint also. This is approximately equal to burning 1350 tons of coal.
- (2) Under our CSR programme, over the years, we have set up solar power generation facilities at 119 Government Schools in the last 6 years to generate green energy of 714,000 units per year. This is equal to saving burning 478 tons of coal.

**(3) Use of Re-gasified Liquid Natural Gases (RLNG)**

We continue to use RLNG to operate stress-relieving furnaces and pre-heat welding material processes. We are happy with the environmental aspects of using natural gases. In the last year, we have used an average of 4500-5000 SCM/Day of RLNG.

**(c) Capital investment in Energy Conservation: ₹ 40.31 lakhs.****B. TECHNOLOGY ABSORPTION:**

The efforts made towards technology absorption:

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

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

- For Circulating Fluidized Bed Combustion (CFBC) Boilers up to 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<sub>2</sub> 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<sub>2</sub>.****(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.

**5. Ash Handling Packages:**

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

- 6. 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.

**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 UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology.
(b) Year of Import	Year ended 31st March 2022.
(c) Whether technology has been fully absorbed.	Not yet.
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Technology will be partially absorbed on successful commissioning of the Projects under execution. Orders for 6 Units of 210 MW each, are under execution and expected to be completed in the first half of FY 2025.

**APPENDIX-A OF ENERGY CONSERVATION REPORT- YEAR ENDED 31<sup>ST</sup> MARCH 2024**

S. No.	Energy conservation activity	Action taken	Expected saving (KwH) per year
1	<b>Electrical Power Saving on Machines / Equipment with technological improvements</b>	PLC Panel with AC Drive control for 60 HP three phase induction motor for optimize utilization. With the help of technology improvement, we have saved approximately 35% Electrical Power (assume 6 hours running per day basis)	<b>34,000</b>
2	<b>Manual Welding Machines</b>	Conventional TIG / MIG / Gauging welding machines (05 nos.) replaced with Thyristorised control with high efficient, IGBT controlled machines	<b>30,800</b>
3		Replaced 21 Nos. old TIG & MIG & SMAW Machines with high efficient IGBT controlled machines.	<b>35,556</b>
4	<b>SAW Welding Machines</b>	Conventional SAW welding machine replaced with Thyristorised control with high efficient, IGBT controlled machines	<b>44,928</b>
5	<b>Electrical Power Saving on Machines / Equipment with technological improvements</b>	Provision of VFD on HVAC units (6 Nos.) in place of Starter	<b>26,496</b>
6		Replacement of star delta operated compressor with VFD based air comp	<b>40,000</b>
7	<b>OTHR STEPS</b>		<b>53,644</b>
<b>Total power saving (KwH)</b>			<b>2,65,424</b>

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

Total foreign exchange earnings and outgo (2023-24)-Cash basis	(₹ in lakhs)
Total foreign exchange earning	62,475.64
Total foreign exchange outgo	31,524.24

**Schedule- I**

Details of Significant Changes in Key Financial Ratio							
S. No.	Ratios	Numerator	Denominator	FY 2023-2024	FY 2022-2023	Percentage variance	Comments
1	Debtors turnover	Revenue from operation	Average debtors	1.77	1.78	-0.43%	
2	Inventory Turnover	Sale of products	Average inventory	6.08	6.87	-11.59%	
3	Interest Coverage Ratio	Profit before interest and tax	Interest cost	9.18	7.95	15.49%	
4	Current Ratio	Current assets	Current liabilities	1.40	1.41	-0.44%	
5	Debt Equity Ratio	Total debts	Total equity	0.01	0.23	94.09%	Due to decrease in borrowings and higher profit during the current year.
6	Operating Profit Margin	Profit before interest and tax	Total revenue	6.95%	5.72%	21.51%	
7	Net Profit Margin	Profit after tax	Revenue from operation	4.77%	3.82%	24.62%	
8	Return on net worth	Profit after tax	Average shareholder's equity	11.30%	9.54%	18.47%	

**Comments :**

- Interest includes interest paid on certain advances received from customers. The interest coverage ratio continuous to be very healthy.
- Operating profit has reduced as there was impact of sharp increase in steel prices during execution of orders. Profit was also impacted due to substantial legal expenses due to the Arbitration Case related to Cavite Biofuels Phillipines project.



## ANNEXURE 3

Particulars of Loans, Guarantees and Investment under Section 186 of Companies Act, 2013, as at 31-03-2024  
(₹ 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, 2024	As at March 31, 2023
<b>1</b>	<b>Guarantees Given to Banks for Subsidiary and Joint Venture Companies:</b>			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	54,705.00	54,705.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	Corporate Guarantees to Secure Working Capital Bank facility	7,950.00	7,950.00
	Isgec Redecam Enviro Solutions Pvt. Ltd.	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
	<b>Total</b>		<b>64,655.00</b>	<b>64,655.00</b>

Note: Refer note 44 for details of outstanding amount against the guarantees.

(₹ in lakhs)

<b>2</b>	<b>Guarantees Given to Banks for Subsidiary Companies outside India:</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	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	4,932.03	5,985.56
	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. Philippines	19,183.15	9,354.68
	Cavite Biofuels Producers Inc. Philippines	Corporate Guarantee given to HSBC to secure working Capital facility	9,174.55	-
	<b>Total</b>		<b>33,289.73</b>	<b>15,340.24</b>

Note: Refer note 44 for details of outstanding amount against the guarantees.

(₹ in lakhs)

<b>3</b>	<b>Loans to Subsidiaries :</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Isgec Investments PTE Ltd., Singapore	To meet expenses and working capital fund	10,376.42	6,239.19
	Eagle Press & Equipment Co. Ltd., Canada	For Capital Expenditure and Working Capital Fund	5,728.51	4,095.06
	<b>Total</b>		<b>16,104.93</b>	<b>10,334.25</b>

4	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Units	As at March 31,2024	As at March 31,2023
	EQUITY SHARES OF SUBSIDIARY COMPANIES (AT COST) :				
	Isgec Covema Limited	10	20,00,000	200.00	200.00
	Isgec Exports Limited	10	1,00,000	10.00	10.00
	Isgec Engineering & Projects Limited	10	40,00,000	400.00	400.00
	Saraswati Sugar Mills Limited	10	70,99,900	7,009.99	7,009.99
	Freelook Software Private Limited	10	24,650	1,306.45	1306.45
	Eagle Press & Equipment Co. Ltd.	CAD 1	45,00,000	2,643.05	2643.05
	Isgec Investments PTE Ltd.	SGD 1	10,000	5.20	5.20
	Isgec Hitachi Zosen Limited	10	5,10,00,000	5,100.00	5,100.00
	Isgec SFW Boilers Pvt. Limited	10	10,20,000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	5,10,000	51.00	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited	10	10,20,000	102.00	102.00
	<b>Total :</b>			<b>16,929.69</b>	<b>16,929.69</b>
	<b>Grand Total :</b>			<b>1,30,979.35</b>	<b>1,01,273.62</b>

**Note-**

In line with Circular No. 04/2015 issued by the Ministry of Corporate Affairs dated 10<sup>th</sup> 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 Securities and Exchange Board of India (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 and 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, 2024, 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	
Mr. Sidharth Prasad		Non-Promoter, Non-Executive Director
Mr. Arvind Sagar		
Mrs. Rashi Sikka		

2.3. None of the Directors is a relative of other Director(s) except Mr. Ranjit Puri and Mr. Aditya

Puri who are relatives (Father-Son; Mr. Ranjit Puri is 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 the Company. The 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, 2024, is tabulated hereunder:

S. No.	Name of Directors	Name of Listed Entities	Category
1	Mr. Ranjit Puri	The Yamuna Syndicate Limited	Non-Executive, Non Independent Director
		Jullundur Motor Agency (Delhi) Limited	
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 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 Companies Act, 2013. Appointment

Letters issued to Independent Directors are available on the website of the Company and may be accessed through the following link <https://www.isgpec.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 / Resignation of Independent Director(s)

During the year under review, no event of appointment or resignation of any Independent Director witnessed on the Board of the Company.

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, 2024, is tabulated hereunder:

Name of the Directors	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 Ltd	Private Ltd	Committee Membership	Committee Chairmanship
<b>Non-Independent Non-Executive Director</b>							
Mr. Ranjit Puri, Chairman	5	5	Yes	4	0	1	1
<b>Executive Directors</b>							
Mr. Aditya Puri, Managing Director	5	5	Yes	9	0	2	0
Mr. Kishore Chatnani, Whole-time Director & Chief Financial Officer	5	5	Yes	5	0	0	0
Mr. Sanjay Gulati, Whole-time Director & Head-Manufacturing Units	5	5	Yes	1	0	0	0
<b>Independent Non-Executive Directors</b>							
Mr. Vishal Kirti Keshav Marwaha	5	5	Yes	0	1	0	0
Mr. Sidharth Prasad	5	4	Yes	2	5	0	0
Mr. Arvind Sagar	5	5	Yes	0	0	0	0
Mrs. Rashi Sikka	5	4	Yes	0	3	0	0

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

S.No.	Name of Directors	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 2023-24, Five (05) Board Meetings were held on May 29, 2023, August 11, 2023, November 14, 2023, February 02, 2024 and February 13, 2024.

2.12. Familiarization programmes imparted to Independent Directors is disclosed on the website of the Company and may be accessed through the following link <https://www.isgpec.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 Directors	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

- The Company has an 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.
- Composition of Audit Committee and attendance of the Members at the meetings held during the financial year 2023-24 is tabulated hereunder:

Name of the Directors	Designation	Audit Committee meetings dates and attendance				
		May 29, 2023	August 11, 2023	November 14, 2023	February 02, 2024	February 13, 2024
Mr. Vishal Kirti Keshav Marwaha	Chairman	✓	✓	✓	✓	-
Mr. Sidharth Prasad	Member	✓	✓	-	✓	✓
Mr. Arvind Sagar	Member	✓	✓	✓	✓	✓
Mr. Aditya Puri	Member	✓	✓	✓	✓	✓

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

- Video / Tele-conferencing facility is offered to facilitate Members of the Audit Committee to participate in the meetings, if required.
  - The Company invites Statutory Auditors at the meetings of the 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 thereon;
  - 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 meeting held during the financial year 2023-24 is tabulated hereunder:

Name of the Directors	Designation	Nomination and Remuneration Committee meeting date and attendance
		May 25, 2023
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 the Securities and Exchange Board of India 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 the Chairman of the Board, was undertaken in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (ICSI).

#### 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 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 2023-24 is tabulated hereunder:

Name of the Directors	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

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 2023-24, the Company has not received any complaint from the shareholders. There was no investor complaint unresolved / pending as at March 31, 2024.

## 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 needs 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 2023-24 is tabulated hereunder:

Name of the Directors	Designation	Risk Management Committee meeting date and attendance	
		June 12, 2023	December 06, 2023
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:

- Overseeing key risks, including strategic, financial, operational and compliance risks;
- Assisting the Board in framing, implementing and monitoring the Risk Management Plan for

the Company and reviewing and guiding the Risk Policy;

- To develop appropriate cyber security measures;
- To encourage the Board to give cyber-security issues on a high priority and to strong oversight as part of good governance;
- To help in security IT systems & mitigate cyber security risks by protecting the systems, applications, information & devices against unauthorized access and cyber-attacks; and
- 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, 2024 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 Directors	Nature of Payment and Amount		Total Amount
	Commission	Sitting Fee	
Mr. Ranjit Puri	25,000	5,30,000	5,55,000
Mr. Sidharth Prasad	25,000	4,80,000	5,05,000
Mr. Arvind Sagar	25,000	5,70,000	5,95,000
Mr. Vishal Kirti Keshav Marwaha	25,000	5,70,000	5,95,000
Mrs. Rashi Sikka	25,000	4,10,000	4,35,000
<b>Total</b>	<b>1,25,000</b>	<b>25,60,000</b>	<b>26,85,000</b>

7.1.3. Apart from payment of sitting fee and commission to Non-Executive Directors, no other fee/remuneration is being paid to them.

### 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:

Amount 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	
	Components				
(i)	Salary	120.00	175.31	96.84	392.15
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	27.90	7.49	6.20	40.90
(iii)	Other Perquisites	4.41	1.03	6.51	11.95
(iv)	Commission	688.60	0.00	0.00	688.60
	<b>Total</b>	<b>840.91</b>	<b>183.83</b>	<b>109.55</b>	<b>1133.60</b>
	Service Contract	5 years till April 30, 2026	5 years till June 27, 2026	5 years till June 27, 2026	
	Notice period	-	-	-	
	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 (AGM) of the Company are hereunder:

AGM	Financial Year ended	Date & Time	Venue	Special Resolution passed
88 <sup>th</sup>	March 31, 2021	September 17, 2021 at 11:30 A.M	Meeting held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	1. Appointment of Mr. Ranjit Puri as a Non-Executive Director;
89 <sup>th</sup>	March 31, 2022	August 24, 2022 at 11:30 A.M.		2. Increase in Borrowing Limits
90 <sup>th</sup>	March 31, 2023	August 23, 2023 at 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 2023-24.

### 8.3. Postal Ballot

8.3.1. During the financial year 2023-24, 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:

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

9.2. The Quarterly / Annual Financial Results were also displayed on the website of the Company at [www.isgsec.com](http://www.isgsec.com) and the same may be accessed through the following link <https://www.isgsec.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](http://www.bseindia.com) and [www.nseindia.com](http://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 the financial year 2022-23 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 2022-23 and 2023-24 are also available on the website of the Company and may be accessed through the following link <https://www.isgce.com/about-us-financials-annual-reports-investor.php>.

## 10. General Shareholder Information

- 10.1. 91<sup>st</sup> Annual General Meeting is scheduled to be held on Wednesday, August 28, 2024 at 11:00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM).
- 10.2. Book Closure is from Thursday, August 22, 2024 to Wednesday, August 28, 2024 (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 26, 2024 for the financial year 2023-24.
- 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 Exchanges	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

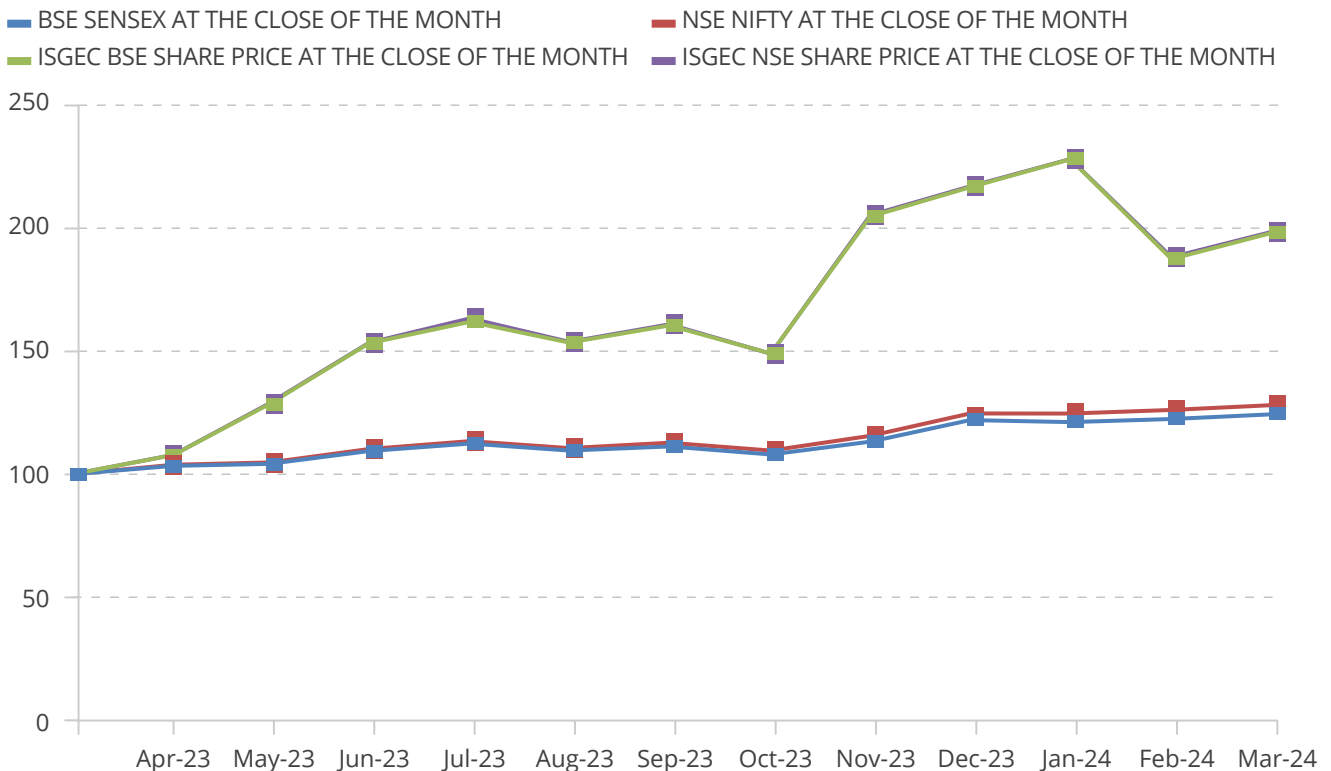
- 10.8. The Company has paid the Annual listing fee for the financial year 2023-24 to the National Stock Exchange of India Limited and BSE Limited.

- 10.9. The Company has paid the Annual Custody Fee for the financial year 2023-24 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 2023-24 on BSE and NSE:

(Amount in ₹)

Month	BSE Limited		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April	501.00	435.65	501.30	434.80
May	633.30	476.30	634.00	475.95
June	701.55	586.65	702.00	586.05
July	753.85	664.80	754.00	665.00
August	767.00	686.95	768.45	687.35
September	830.70	686.05	837.00	691.70
October	747.00	656.45	748.90	656.00
November	940.00	674.05	939.85	667.00
December	995.90	877.40	996.90	878.05
January	1,069.85	944.60	1,069.00	944.90
February	1,178.00	827.00	1,178.25	827.00
March	954.00	810.00	954.00	810.00

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

Note: Indices have been indexed to 100 as on closing of the month.

**10.12. Securities suspended from trading**

Not Applicable

**10.13. Details of Registrar and Transfer Agents are as under:**

M/s. 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, 2024 is tabulated hereunder:

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	Number	% of Total	(In ₹)	% of Total
Up-to	5,000	31,148	98.46	54,55,086	7.42
5,001 -	10,000	219	0.69	15,77,979	2.15
10,001 -	20,000	117	0.37	16,78,949	2.28
20,001 -	30,000	43	0.14	10,62,962	1.45
30,001 -	40,000	18	0.06	6,32,448	0.86
40,001 -	50,000	29	0.09	13,32,154	1.81
50,001 -	1,00,000	24	0.08	17,61,457	2.40
1,00,001 and above		37	0.12	6,00,28,475	81.64
<b>Total</b>		<b>31,635</b>	<b>100.00</b>	<b>7,35,29,510</b>	<b>100.00</b>

**10.16. Shareholding pattern as at March 31, 2024:**

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	05	4,59,04,888	62.43
Others (Public)	31,630	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 7,26,17,850 shares have been dematerialised as on March 31, 2024, representing 98.76% 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, Container, Castings, Sugar and other Industrial Machinery.	Isgec Heavy Engineering Limited, Radaur Road, Yamunanagar-135001, Haryana, INDIA
(ii)	Rattangarh, Yamunanagar	Pressure Parts for Boilers	Isgec Heavy Engineering Limited, Rattangarh, Yamunanagar-135001, Haryana, INDIA
(iii)	Dahej, Gujarat	Pressure Vessels, Columns, Heat Exchangers.	Isgec Heavy Engineering Limited, 13/B, G.I.D.C Industrial Estate, Dahej, Taluka- Vagara, Dist. Bharuch - 392130, Gujarat, INDIA
(iv)	Dahej, Gujarat	Process Equipment	Isgec Heavy Engineering Limited, Plot No. Z-89, Dahej Special Economic Zone Part-II, Taluka: Vagra, Bharuch-392130, Gujarat, INDIA
(v)	Muzaffarnagar, Uttar Pradesh	Castings - Steel & Iron	Isgec Heavy Engineering Limited, Village Nara, P.O. Mansurpur -251203, District Muzaffarnagar, Uttar Pradesh, INDIA
(vi)	Bawal, Haryana	Standard Mechanical Presses and other Industrial Machinery	Isgec Heavy Engineering Limited, Plot No. 123, Sector-6, HSIIDC, Industrial Growth Centre, Bawal, Dist. Rewari-123501 Haryana, INDIA
(vii)	Aurangabad, Haryana	Fabrication of Piping Spools	Isgec Heavy Engineering Limited, Aurangabad, Beside Essar Petrol Pump, NH-74, Radaur Road, Aurangabad, Yamunanagar, Haryana-135001, INDIA
(viii)	Damla, Haryana	Fabrication of Piping Spools	Isgec Heavy Engineering Limited, Hadbast no 484, Village Damla, Radaur Road, Damla, Yamunanagar, Haryana, 135002, INDIA



<b>B. Engineering, Procurement and Construction Segment- Business locations</b>			
(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, A-56 and A-146, Sector-63, Noida – 201301, Uttar Pradesh, INDIA; (ii) A-4, Sector – 24, Noida – 201301, Uttar Pradesh, INDIA
(ii)	Chennai, Tamil Nadu	Design office	25, MC Nichols Road, Grace Building, Chetpet, Chennai-600031, Tamil Nadu, INDIA
(iii)	Pune, Maharashtra	Design office	T-29/31, Om Chambers, 303 Bhosari, Telco Road, MIDC, Bhosari, Pimpri- Chinchwad, Maharashtra-411026, INDIA
<b>C. Other Business locations:</b>			
(i)	Mumbai, Maharashtra		2nd Floor, Great Social Building, 60 P Mehta Road, Fort Mumbai, Maharashtra-400001, INDIA
(ii)	New Delhi		A-51, Vasant Marg, Vasant Vihar, New Delhi-110057, INDIA

**10.21. Address for Correspondence is as under:**

Corporate Office:	A-4, Sector – 24, Noida – 201 301, Uttar Pradesh, INDIA Tel. : +91-120-408 5001/ 5002 E-mail: cs@isgec.co.in
Registered Office:	Radaur Road, Yamunanagar-135 001, Haryana, INDIA 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 Limited or National Stock Exchange of India Limited 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 or, 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 endeavor 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 web link <https://www.isgec.com/pdf/Policy-forDeterminingMaterialSubsidiaries1612020.pdf>.

11.6. Policy on dealing with Related Party Transactions may be accessed through the following web link <http://www.isgec.com/pdf/PolicyonMaterialityofRelatedPartyTransactionsandonDealingwithRelatedPartyTransactions1822020.pdf>.

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

**11.8. Explanation for not raising funds by issuance of debt securities by large corporates**

11.8.1. As at March 31, 2023, the Company was identified as large corporate.

11.8.2. During the financial year 2023-24, the outstanding long-term borrowings have decreased significantly and stood at ₹ 7.2 crores as on March 31, 2024. Considering

the good financial position and cash flows, the Company has not raised funds through issuance of debt securities.

11.8.3. The Company is not identified as large corporate for the financial year ended March 31, 2024 in accordance with revised framework for fund raising by issuance of debt securities by large corporate as per the Securities Exchange Board of India Circular dated October 19, 2023.

11.9. 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 the Company Secretary in practice is annexed as **Annexure- B**.

**11.10. Particulars of Senior Management Personnel are as under:**

S.No.	Name of Senior Management	Designation
1	Mr. Suman Jain	Chief Executive-APCE & Utility Boilers
2	Mr. Mahesh Gupta	Head of Materials & Logistics
3	Mr. P V N Sanjay	Chief Executive-EPC
4	Mr. V K Luthra	Chief Executive-Industrial & Green Energy Boilers
5	Mr. Sanjay Awasthi	Chief Executive-Sugar Plants & Distilleries
6	Mr. Sanjay Choudhary	Chief Executive-Process Equipment Division
7	Mr. Yogesh Saxena	Chief Executive-Machine Building Division
8	Mr. Deepak Kumar	Sr. Vice President & Unit Head-Steel Castings Division
9	Mr. Lazar Pilli	Chief Human Resources Officer
10	Mr. Yogesh Marwaha	Chief International Marketing Officer-Project Business.
11	Mr. Shalabh Singh	Head of Corporate Business Development
12	Mr. Sanjay Kumar Gharde	Chief Information Officer
13	Mr. Kalyan Ghosh	Chief Legal Officer
14	Mr. Bhupinder Kumar Malik	Chief Accounts & Taxation Officer
15	Mr. Anup Bhargava	Chief Strategy Officer
16	Mr. B.V. Mittal	Senior Vice President-Information & Technology
17	Mr. Sachin Saluja	Company Secretary
18	Mr. Satish Bhatia*	Business Head-BMP

\* Mr. Satish Bhatia retired and ceased to be part of Senior Management w.e.f. July 31, 2023 upon attaining the age of superannuation.

**11.11. 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**

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

Amount in Lakhs

Particulars	Isgec Heavy Engineering Limited	Saraswati Sugar Mills Limited	Isgec Hitachi Zosen Limited	Total
Statutory Audit Fee	33.00	8.00	5.00	46.00
In other capacity	0.83	-	0.10	0.93
Reimbursement of Expenses	3.48	5.70	0.24	9.42
<b>Total</b>	<b>37.31</b>	<b>13.70</b>	<b>5.34</b>	<b>56.35</b>

11.13. I, Aditya Puri, Managing Director, declare that all the members of the Board of Directors and

Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management during the year ended March 31, 2024.

11.14. 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.

11.15. During the financial year under consideration, no loans and advances in the nature of loans to firms/companies in which directors are interested were given by the Company and its subsidiaries.

11.16. No event of Non-compliance of any requirement of Corporate Governance report of sub-para (2) to (10) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 has been observed.

11.17. 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.

- 11.18. 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 the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015. The Company submits a quarterly compliance report on Corporate

Governance signed by the 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**

**Ranjit Puri**

Chairman

DIN: 00052459

Date: May 29, 2024

Place: Noida

## ANNEXURE A

List of All Credit Rating obtained by the Entity alongwith any Revision thereto during the relevant financial year.

(Amount in crores)

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)		Fund Based-Term Loan		Total rated amount
			Amount	Rating assigned	Amount	Rating assigned	Amount	Rating assigned	Amount	Rating assigned	
ICRA/ISGEC Heavy Engineering Limited/24112022/1	24 Nov 2022	Enhancement	600.00	[ICRA]AA (Stable)	3800.17	[ICRA] A1+	1099.83	[ICRA]AA (Stable/A1+)	-	-	5500.00
ICRA/ISGEC Heavy Engineering Limited/22112023/1	23 Nov 2023	Revision	600.00	[ICRA]AA (Stable)	3800.17	[ICRA] A1+	1099.83	[ICRA]AA (Stable/A1+)	-	-	5500.00
ICRA/ISGEC Heavy Engineering Limited/18122023/1	18 Dec 2023	Revision/ Enhancement	600.00	[ICRA]AA (Stable)	3800.17	[ICRA] A1+	1099.83	[ICRA]AA (Stable/A1+)	50.00	[ICRA]AA (Stable)	5550.00



## 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](http://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, 2024 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: F007091F000357067

Noida, May 13, 2024

## ANNEXURE 5

### FORM No. MR-3

#### Secretarial Audit Report

For the financial year ended March 31, 2024

[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 2024 (**'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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period).
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period).
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period).
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
  - j. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and amendments from time to time; (Not applicable to the Company during the audit period).

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

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

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

**We further report that**

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

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

**We further report that**

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

**We further report that**

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

**We further report that**

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 Kothari**  
Proprietor  
CP No: 11532: Membership No. F7091  
UDIN: F007091F000306511

Noida, May 04, 2024

**Draft Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the 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 29<sup>th</sup> May 2024.
2. We have examined the compliance of conditions of Corporate Governance by Isgec Heavy Engineering Limited (hereinafter "the Company"), for the year ended 31<sup>st</sup> March 2024, 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the Listing Regulations").

**Management Responsibility**

3. The compliance of conditions of the Corporate Governance is the responsibility of Management of the Company including preparation and maintenance of all the relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

**Auditors Responsibility**

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31<sup>st</sup> March 2024.
6. We have carried out an examination of the relevant records of the Company in accordance with the "Guidance Note on certificate on 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.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. 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 sub regulation (2) of Regulation 46 and para-C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March 2024.

**Other Matter and Restriction on Use**

9. This certificate 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.
10. This certificate 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  
Sd/-  
(ABHINAV KHOSLA)  
PARTNER  
MEMBERSHIP No.:087010  
ICAI UDIN: 24087010BKBOEN8209



**FORM No. MR-3****Secretarial Audit Report**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

(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 31<sup>st</sup> March 2024 (**'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 31<sup>st</sup> March 2024 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 Kothari**  
Proprietor  
Noida,  
May 04, 2024  
CP No: 11532: Membership No. F7091  
UDIN: F007091F000306566

## 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) <b>the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;</b>	1) Mr. Aditya Puri (Managing Director)	89
	2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer)	19
	3) Mr. Sanjay Gulati (Whole-time Director & Head Manufacturing Units)	12
(ii) <b>the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;</b>	1) Mr. Aditya Puri (Managing Director)	24%
	2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer)	28%
	3) Mr. Sanjay Gulati (Whole-time Director & Head Manufacturing Units)	8%
	4) Mr. Sachin Saluja (Company Secretary) *	12%

\*Mr. Sachin Saluja joined as Company Secretary from 15<sup>th</sup> November 2022. Percentage increase in remuneration is calculated on annualised amount.

#### 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) <b>the percentage increase in the median remuneration of employees in the financial year;</b>	9.45%
(iv) <b>the number of permanent employees on the rolls of company;</b>	2979 as on 31 <sup>st</sup> March 2024 (2869 as on 31 <sup>st</sup> March 2023)
(v) <b>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;</b>	The average increase in salaries of employees other than managerial personnel in 2023-24 is 12.07%.

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

			₹ in lakhs	
	Name of the Person	Designation	2023-24	2022-23
1	Mr. Aditya Puri	Managing Director	840.91	679.07
2	Mr. Sudershan Kumar Khorana	Executive Director & Company Secretary *	-	31.80
3	Mr. Kishore Chatnani	Whole-time Director & Chief Financial Officer	183.83	143.64
4	Mr. Sanjay Gulati	Whole -time Director & Head Manufacturing Units**	109.55	101.57
5	Ms. Shweta Agarwal	Company Secretary ***	-	17.83
6	Mr. Sachin Saluja	Company Secretary ****	36.36	13.82

\*Mr. Sudershan Kumar Khorana ceased to be Executive Director & Company Secretary from 1<sup>st</sup> June 2022.

\*\*Mr. Sanjay Gulati also receives remuneration from Subsidiary Company Isgec Hitachi Zosen Limited, ₹ 99.42 Lakhs (Previous year ₹ 99.42 Lakhs).

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

\*\*\*\*Mr. Sachin Saluja joined as Company Secretary from 15<sup>th</sup> November 2022.

(vi) <b>affirmation that the remuneration is as per the remuneration policy of the company.</b>	Remuneration is paid as per the remuneration policy of the company.
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## ANNEXURE 7

### 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 skill under Apprentices and National Employment Enhancement Mission Scheme.
- iv. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to Swach Bharat Kosh set up by the Central Government for the promotion of sanitation) and making available safe drinking water.
- v. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects.
- vi. Rural Development projects.
- vii. Disaster management, including relief, rehabilitation and reconstruction activities including COVID-19.
- viii. The Company will give preference to the local area or areas around which the Company operates for spending the CSR expenditure.

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

S. No.	Name of the Committee Member	Position	Number of CSR Committee meetings held	Number of CSR Committee meeting attended
1	Mr. Ranjit Puri (DIN: 00052459)	Chairman	2	2
2	Mr. Aditya Puri (DIN: 00052534)	Member	2	2
3	Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Member	2	2

3. Web-link where Composition of CSR committee, CSR policy and CSR projects approved by board are disclosed on the website of the Company: <http://www.isgce.com/aboutus-csr-policy.php>

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 Responsibility Policy) Rules, 2014, if applicable: **Not applicable**

5.		₹ in Lakhs
(a)	Average net profit of the company as per sub-section (5) of section 135	22,893.75
(b)	Two percentage of average net profit as per sub-section (5) of section 135	457.88
(c)	Surplus arising out of CSR projects or programmes or activities of the previous financial years	35.99
(d)	Amount required to be set off for the financial year	1.41
(e)	<b>Total CSR obligation for the financial year 2023-24 (b+c-d)</b>	<b>492.46</b>

6.		₹ in Lakhs
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	467.13
(b)	Amount spent in Administrative overheads	22.89
(c)	Amount spent on Impact assessment, if applicable	NA
(d)	Total amount spent for the financial year (a+b+c)	490.0

(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
490.02	Nil	NA	Nil	Nil	NA

(f) Excess amount for set off, if any:

S.No.	Particular	₹ in Lakhs
(i)	Two percent of average net profit of the company as per sub section (5) of section 135	457.88
(ii)	Total amount spent for financial year	456.85
(iii)	Excess amount spent for financial year (ii-i)	-1.03
(iv)	Surplus arising out of CSR projects or programmes or activities of previous financial years, if any	1.41
(v)	Amount available for set off in succeeding financial years (iii-iv)	0.38

**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 (₹ in Lakhs)
					Name of the fund	Amt (₹ in Lakhs)	Date of transfer	
1	2020-21	101.12	Nil	Nil	Nil	Nil	NA	Nil
2	2021-22	160.93	35.99	33.17	Nil	Nil	NA	2.82
3	2022-23	-	-	-	Nil	Nil	NA	-

**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:

S. 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**

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

**Aditya Puri**  
(Managing Director)

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



# 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 2024, 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 material 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 2024, and its profit including other comprehensive income, changes in equity and its cash flows 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.

S.No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition for Engineering, Procurement and Construction (EPC) contracts</b></p> <p>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.</p> <p>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.</p> <p>This method involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts.</p> <p>Refer Note 2.4 to the standalone Ind AS financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>In the context of our work, the procedures set up in terms of revenues of EPC contracts consisted of :</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115.</li> <li>• Performing testing of the design and implementation of controls over revenue recognition with specific focus on controls over determination of progress and corresponding percentage of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations.</li> <li>• Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and verified the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts.</li> <li>• Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required.</li> <li>• Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the standalone Ind AS financial statements.</li> </ul>

### 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 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the Directors as on 31st March 2024 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2024 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS financial statements.
  - ii. The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested ( either from borrowed fund or share premium or any other sources of kinds of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (" Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries ") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.

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

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

- v. The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 is applicable from 1st April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.
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 2024 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

Place: Noida  
Dated: 29th May 2024

Membership No.: 087010  
ICAI UDIN: 24087010BKBOEE9419

## 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 2024)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS 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.
- (i)(a)(B). The Company has maintained proper records showing full particulars of intangible assets.
- (i)(b). According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management during the year in accordance with Company's 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.
- (i)(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 standalone Ind AS financial statements are held in the name of the Company.
- (i)(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 31st March 2024.
- (i)(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 (except stock-in-transit) 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 31st March 2024. In respect of any guarantee provided and loan given during the year details are as below:

(Amount in lakhs)

	Guarantees (including SBLC) provided	Loans granted
<b>Aggregate amount granted/ provided during the year:</b>		
Subsidiaries	18,766.13	5,770.68
Joint ventures   Associates   Others	Nil	Nil
<b>Balance outstanding at the balance sheet date in respect of above cases:</b>		
Subsidiaries	97,944.73	16,104.93
Joint ventures   Associates   Others	Nil	Nil



- (iii)(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.
- (iii)(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 principal and payment of interest has been stipulated and repayment or receipts of interest are not due during the year.
- (iii)(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 principal and interest.
- (iii)(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.
- (iii)(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, 2013 and the rules made thereunder. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, 2013, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a). 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 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.
- (vii)(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
The Central Excise Act, 1944	Excise Duty	3.57	3.57	2011-12	Assistant commissioner, Yamunanagar
The Central Excise Act, 1944	Excise Duty	0.37	0.37	2015-17	Superintendent (Yamunanagar)
The Central Excise Act, 1944	Excise Duty	19.60	19.60	2016-17	Dy Excise & Taxation Commissioner (Yamunanagar)
The Central Excise Act, 1944	Excise Duty	19.66	19.66	2014-15	Additional commissioner central excise, customs & service tax, Bharuch, Commissionerate
The Customs Act, 1962	Custom Duty	563.80	513.65	2017-18	Custom, Excise and Service tax Appellate Tribunal, Ahemdabad
Finance Act, 1994	Service Tax	60.77	60.77	2015-16 & 2016-17	Commissioner, Central goods and service tax (Appeals Noida )
Goods & Services Tax Act, 2017	Goods & Service Tax	0.14	0.14	2017-18	Asstt. Commissioner, Yamunanagar
Goods & Services Tax Act, 2017	Goods and services tax	1,247.15	730.17	2017-18 to 2022-23	Asstt. Commissioner State Tax, Mumbai
Goods & Services Tax Act, 2017	Goods and services tax	46.43	46.43	2017-18 to 2018-19	Asstt. Commissioner Commercial Taxes, Bangalore
Goods & Services Tax Act, 2017	Goods and services tax	139.12	121.20	2017-18 to 2018-19	Asstt. Commissioner Audit, Guwahati
Goods & Services Tax Act, 2017	Goods and services tax	1,079.02	998.22	2017-18	Commissioner (Appeals), CG&CE, Noida, U.P.
Goods & Services Tax Act, 2017	Goods and services tax	81.76	73.59	2017-18	Joint Commissioner (Appeals), Guwhati
Goods & Services Tax Act, 2017	Goods and services tax	13.11	13.11	2018-19	Addl. Commissioner (Appeals), Commercial Tax, Gujarat
Goods & Services Tax Act, 2017	Goods and services tax	623.88	623.88	2017-18	Commission Appeals, CGST, Panchkula
Goods & Services Tax Act, 2017	Goods and services tax	403.69	403.69	2017-2022	Additional Commissioner, CGST, Panchkula
The Haryana Entry of Goods into The Local Area Tax Act, 2008	Local Area Tax	22.00	22.00	2006-07 to 2015-16	Hon'ble Supreme Court of India
Central Sales Tax Act, 1956	Sales Tax	7.35	4.59	2017-18	Additional Commissioner Grade -2 Appeals
The Uttar Pradesh Value Added Tax Act, 2007	Sales Tax	0.38	0.38	2017-18	Additional Commissioner Grade -2 Appeals
The Kerala Value Added Tax Act, 2003	Sales Tax	59.32	53.10	2009-10	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
The Kerala Value Added Tax Act, 2003	Sales Tax	0.37	0.33	2010-11	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	6.00	6.00	1971-72 & 1972-73	Commissioner sales tax, Lucknow
Central Sales Tax Act, 1956	Sales Tax	4.00	4.00	1987-88	Dy Comm. of Commercial Taxes(appeals), Kolkata
Central Sales Tax Act, 1956	Sales Tax	61.00	61.00	1994-95	Dy Comm. of Commercial Taxes(appeals), Kolkata
Central Sales Tax Act, 1956	Sales Tax	34.00	34.00	1995-96	Dy Comm. of Commercial Taxes(appeals), Kolkata
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	0.82	0.82	2006-07	Dy Comm. Of Commercial Taxes, Tamil Nadu.
The Maharashtra Value Added Tax Act, 2002	Sales Tax	559.88	536.46	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
Central Sales Tax Act, 1956	Sales Tax	3.54	3.54	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
The Uttar Pradesh Value Added Tax Act, 2007	Sales Tax	53.77	21.33	2013-14	High Court, Lucknow
The Orissa Value Added Tax Act, 2004	Sales Tax	18.30	16.67	2009-10 to 2013-14	Joint Commissioner of Sales Tax

The Kerala Value Added Tax Act, 2003	Sales Tax	75.33	67.61	2014-15	Joint Commissioner of SGST, Kochi
The Maharashtra Value Added Tax Act, 2002	Sales Tax	64.24	64.24	2017-18	Joint Commissioner, State Tax
Haryana Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Sales Tax	31.12	31.12	2015-16	Deputy Excise & Taxation Commissioner, Sales tax, Yamunanagar
Income Tax Act, 1961	Income Tax	164.07	131.25	1987-88 & 1988-89	Commissioner of Income Tax Appeals, National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	857.00	249.56	2017-18	Commissioner of Income Tax Appeals, National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	235.00	65.61	2018-19	Commissioner of Income Tax Appeals, National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	241.90	60.88	2020-21	Commissioner of Income Tax Appeals, National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	69.87	17.58	2021-22	Commissioner of Income Tax Appeals, National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	78.18	19.67	2022-23	Commissioner of Income Tax Appeals, National Faceless Appeal Centre

- (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.
- (ix)(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 by any government authority.
- (ix)(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.
- (ix)(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.
- (ix)(e). According to the information and explanations given to us and on an overall examination of the standalone Ind AS 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.
- (ix)(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 of 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.
- (xi)(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.

- (xi)(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.
- (xiv)(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.
- (xvi)(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.
- (xvi)(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.
- (xvi)(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 54 of the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, 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.
- (xx)(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, 2013.
- (xxi). The provisions of paragraph 3(xxii) 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

Place: Noida  
Dated: 29th May 2024

Membership No.: 087010  
ICAI UDIN: 24087010BKBOEE9419

## 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 2024)

#### 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 2024 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 2024, 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.

Place: Noida  
Dated: 29th May 2024

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No: 000235N/ N500089  
ABHINAV KHOSLA  
Partner  
Membership No.: 087010  
ICAI UDIN: 24087010BKBOEE9419

**BALANCE SHEET**

as at MARCH 31, 2024 | CIN: L23423HR1933PLC000097

Particulars	Note No.	(₹ in lakhs)	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	3	39,014.31	41,431.29
(b) Right-of-use assets	4	3,641.79	3,879.69
(c) Capital work - in - progress		3,304.69	410.24
(d) Other intangible assets	5	2,902.03	1,794.29
(e) Intangible assets under development		64.61	1,257.22
(f) Financial assets			
(i) Investments	6	15,623.69	16,329.69
(ii) Loans	7	17,670.87	11,269.17
(iii) Trade receivables	8	6,900.71	6,957.25
(iv) Other financial assets	9	1,728.75	1,898.93
(g) Deferred tax assets (net)	25	3,662.58	3,050.47
(h) Other non - current assets	10	971.28	210.25
<b>Total non-current assets</b>		<b>95,485.31</b>	<b>88,488.49</b>
<b>(2) Current assets</b>			
(a) Inventories	11	77,763.52	64,111.26
(b) Financial assets			
(i) Investments	12	1,144.99	1,660.48
(ii) Trade receivables	13	3,10,686.35	2,78,817.91
(iii) Cash and cash equivalents	14	6,298.55	12,214.64
(iv) Bank balances other than (iii) above	15	1,793.56	1,406.90
(v) Loans	16	1,084.10	814.15
(vi) Other financial assets	17	2,969.60	1,881.47
(c) Other current assets	19	89,310.52	85,960.49
<b>Total current assets</b>		<b>4,91,051.19</b>	<b>4,46,867.30</b>
<b>Total assets</b>		<b>5,86,536.50</b>	<b>5,35,355.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	20	735.29	735.29
(b) Other equity	21	2,14,725.12	1,93,835.62
<b>Total equity</b>		<b>2,15,460.41</b>	<b>1,94,570.91</b>
<b>LIABILITIES</b>			
<b>(1) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	720.72	-
(ia) Lease liabilities		1,083.95	1,181.81
(ii) Other financial liabilities	23	134.16	111.59
(b) Provisions	24	5,330.71	7,608.05
(c) Other non - current liabilities	26	13,905.62	14,864.89
<b>Total non-current liabilities</b>		<b>21,175.16</b>	<b>23,766.34</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	2,202.47	44,677.42
(ia) Lease liabilities		451.05	466.32
(ii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small enterprises		4,456.03	5,967.95
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,22,310.23	1,27,164.26
(iii) Other financial liabilities	29	7,765.36	5,929.72
(b) Other current liabilities	30	1,95,505.11	1,22,051.23
(c) Provisions	31	16,554.51	10,026.29
(d) Current tax liabilities (net)	18	656.17	735.35
<b>Total current liabilities</b>		<b>3,49,900.93</b>	<b>3,17,018.54</b>
<b>Total equity &amp; liabilities</b>		<b>5,86,536.50</b>	<b>5,35,355.79</b>

The accompanying notes from 1 to 59 form an integral part of the financial statements

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer  
**For & on behalf of the Board of Directors**

<p><b>Sachin Saluja</b> Company Secretary M.No. A24269</p> <p><b>Aditya Puri</b> Managing Director DIN: 00052534</p> <p><b>Vishal Kirti Keshav Marwaha</b> Director DIN: 00164204</p>	<p><b>Kishore Chatnani</b> Whole Time Director and Chief Financial Officer DIN: 07805465</p> <p><b>Arvind Sagar</b> Director DIN: 09210612</p>
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**STATEMENT OF PROFIT AND LOSS**

for the year ended MARCH 31, 2024 | CIN: L23423HR1933PLC000097

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	32	486,139.76	465,191.71
II	Other income	33	4,473.88	3,498.90
III	<b>Total income (I + II)</b>		<b>4,90,613.64</b>	<b>4,68,690.61</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	34	101,222.92	92,463.09
	Purchases of Stock-in-Trade	35	189,858.70	181,015.41
	Erection & commissioning expenses		61,678.67	62,223.50
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(9,650.10)	(2,884.98)
	Employee benefits expense	37	38,088.32	34,300.18
	Finance costs	38	4,067.96	3,700.68
	Depreciation and amortization expense	39	6,661.64	6,311.05
	Other expenses	40	68,295.41	68,122.14
	<b>Total expenses (IV)</b>		<b>4,60,223.52</b>	<b>4,45,251.07</b>
V	<b>Profit before tax (III - IV)</b>		<b>30,390.12</b>	<b>23,439.54</b>
VI	<b>Tax expense</b>	41		
	(1) Current tax		7,806.23	6,385.29
	(2) Deferred tax		(586.79)	(738.07)
	<b>Total tax expenses</b>		<b>7,219.44</b>	<b>5,647.22</b>
VII	<b>Profit for the year (V - VI)</b>		<b>23,170.68</b>	<b>17,792.32</b>
VIII	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment defined benefit plans		(100.61)	(98.93)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		25.32	24.90
	<b>Total other comprehensive income</b>		<b>(75.29)</b>	<b>(74.03)</b>
IX	<b>Total comprehensive income (VII + VIII) (Comprising profit and other comprehensive Income for the year)</b>		<b>23,095.39</b>	<b>17,718.29</b>
X	<b>Earnings per equity share of ₹1/- each</b>	42		
	Basic (in ₹)		31.51	24.20
	Diluted (in ₹)		31.51	24.20

The accompanying notes from 1 to 59 form an integral part of the financial statements

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

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

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer  
**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

Place : Noida  
Date : May 29, 2024

## STATEMENT OF CASH FLOWS

for the year ended MARCH 31, 2024 | CIN: L23423HR1933PLC000097

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>30,390.12</b>	<b>23,439.54</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	6,661.64	6,311.05
(Gain) / loss on property, plant and equipment sold / written off	35.60	(8.86)
Liabilities no longer required written back	-	(72.65)
Provision for expected credit loss	906.39	1,804.63
Provision for impairment loss on investments	706.00	600.00
Finance income	(1,221.53)	(1,025.64)
Finance costs	4,067.96	3,700.68
Income from investment-Dividends	(2,436.14)	(1,670.01)
(Gain) / loss on sale of financial instruments (investment)	(211.95)	(35.37)
Change in fair value of financial instrument (investment)	232.79	100.25
Adjustment due to discounting in warranty provision	304.37	(304.71)
Unrealised (gain) / loss on foreign currency translation	(822.44)	(3,386.09)
<b>Operating profit before working capital adjustments</b>	<b>38,612.81</b>	<b>29,452.82</b>
<b>Working capital adjustments</b>		
(Increase) / Decrease in trade receivables	(31,588.44)	(36,779.90)
(Increase) / Decrease in other receivables	(5,624.50)	1,979.19
(Increase) / Decrease in inventories	(13,652.26)	(8,956.08)
Increase / (Decrease) in trade and other payables	68,269.15	24,783.53
Increase / (Decrease) in payables and provisions	3,722.98	(1,174.88)
<b>Cash generated from operations</b>	<b>59,739.74</b>	<b>9,304.68</b>
Income tax paid (net of refund)	(7,885.41)	(4,882.70)
<b>Net cash flow from / (used in) operating activities</b>	<b>51,854.33</b>	<b>4,421.98</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(6,552.73)	(5,685.81)
Proceeds from sale of property, plant and equipment	122.18	108.88
Purchase of mutual funds	(70,732.79)	(29,025.25)
Proceeds from sale of mutual funds	71,227.44	39,171.45
Loans given	(5,769.10)	(858.47)
(Increase)/decrease in other bank balances	(386.66)	(178.42)
Interest received	482.13	359.12
Dividend received	2,436.14	1,670.01
<b>Net cash flow from / (used in) investing activities</b>	<b>(9,173.39)</b>	<b>5,561.51</b>
<b>C Cash flow from financing activities</b>		
Dividend paid on equity shares	(2,226.17)	(1,495.72)
Payment of lease liabilities	(671.71)	(547.14)
Finance cost	(3,944.92)	(3,632.73)
Proceeds from long term borrowings	720.72	-
Repayment of long term borrowings	(9,999.96)	(9,999.96)
Proceeds / (repayment) from short term borrowings (net)	(32,474.99)	11,311.77
<b>Net cash flow from / (used in) financing activities</b>	<b>(48,597.03)</b>	<b>(4,363.78)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(5,916.09)</b>	<b>5,619.71</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12,214.64</b>	<b>6,594.93</b>
Cash and cash equivalents at the end of the year	6,298.55	12,214.64

**STATEMENT OF CASH FLOWS**for the year ended **MARCH 31, 2024** | CIN: L23423HR1933PLC000097

(₹ in lakhs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Components of cash and cash equivalents</b>		
Balance with banks in current account (refer note 14)	3,736.53	12,117.22
Cheques and drafts on hand (refer note 14)	50.90	83.84
Cash on hand (refer note 14)	11.12	13.58
Bank term deposits	2,500.00	-
<b>Cash and cash equivalents</b>	<b>6,298.55</b>	<b>12,214.64</b>

**Notes:**

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

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance as on April 1	44,677.42	43,365.61
Non-cash changes due to		
- Interest expense	-	-
- Others	-	-
Cash flows during the year		
- Proceeds from long term borrowings (refer note 22.1)	720.72	-
- Repayment of long term borrowings (refer note 22.1)	(9,999.96)	(9,999.96)
- Proceeds / (repayment) from short term borrowings (net), other than current maturities of long term debt (refer note 27)	(32,474.99)	11,311.77
<b>Closing balance as on March 31</b>	<b>2,923.19</b>	<b>44,677.42</b>

- Figures in brackets indicate cash outgo.

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

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

**Bhupinder Kumar Malik**

Chief Accounts &amp; Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

Place : Noida  
Date : May 29, 2024



**STATEMENT OF CHANGES IN EQUITY**

for the year ended MARCH 31, 2024 | CIN: L23423HR1933PLC000097

**A. Equity Share Capital**

(₹ in lakhs)

As at April 1, 2022	Changes during the year	As at March 31, 2023	Changes during the year	As at March 31, 2024
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)	
<b>Balance as at April 1, 2022</b>	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	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	0.01	450.22	3.24	17,439.54	1,75,518.10	424.51	1,93,835.62
Profit for the year	-	-	-	-	23,170.68	-	23,170.68
Other comprehensive income	-	-	-	-	-	(75.29)	(75.29)
Final dividend paid for the year ended March 31, 2023	-	-	-	-	(2,205.89)	-	(2,205.89)
Interim dividend paid during the year ended March 31, 2024	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>0.01</b>	<b>450.22</b>	<b>3.24</b>	<b>17,439.54</b>	<b>1,96,482.89</b>	<b>349.22</b>	<b>2,14,725.12</b>

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**

Chief Accounts &amp; Taxation Officer

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

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**Aditya Puri**  
Managing Director  
DIN: 00052534

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

## NOTE TO THE STANDALONE 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 Material 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 2024**.

#### 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 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 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.

**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.

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. Foreign exchange fluctuation is treated as other operating income as the same mainly comprises of fluctuation on trade receivables and trade payables.

#### **d. Rental Income**

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

#### **e. Other Income**

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

#### **III. Dividend**

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

## 2.5. Inventories

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

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

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

**Traded Goods** 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.

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 Rs. 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. Impairment of Non-Financial Assets

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.

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.

## 2.10. Employee Benefits

### a. 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.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

The Company recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs.

### b. 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.

#### c. 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.

#### d. 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.

#### e. 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.

#### f. 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.

#### g. Other Short-Term Benefits

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

## 2.11. Leases

### 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.

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.

## **2.12. Taxes**

### **Current income tax**

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

### **Deferred Tax**

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

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.

## **2.13. Borrowing Cost**

As per Ind AS 23, Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

## **2.14. Provisions, Contingent Liabilities**

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.

Contingent liabilities are not recognized but are disclosed in notes.

## 2.15. 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.

## 2.16. 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).

## 2.17. Financial instruments

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

### Initial recognition

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

### Subsequent measurement

For the purpose of subsequent measurement, financial assets 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 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:

- The contractual right to receive cash flows from the assets have expired, or
- 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.

### **2.18. 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.

### **2.19. 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.

### **2.20. Impairment of Financial Assets**

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

amount equal to lifetime ECL. 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.

### **2.21. 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 Company holds the trade receivables with the objective to collect the contractual cash flows less loss allowance.

### **2.22. Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. 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'.

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

The company also avails incentive in the form of nil import duty on import of specified capital goods under Government's EPCG scheme. The company anticipates no challenge in complying with the conditions attached to the said scheme in normal course of business and thus capitalized goods without considering value of customs duty saved.

### **2.23. Functional and Presentation Currency**

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's



functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

## 2.24. Foreign currencies

### a. 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.

### b. Conversion

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

### c. Exchange differences

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

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

## 2.25. Research and Development Expenses

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

## 2.26. Fair Value Measurement

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

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

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

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

## 2.27. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 3 : Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
<b>Gross carrying value</b>							
As at April 1, 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
Additions	-	175.01	1,331.88	67.89	799.37	741.14	3,115.29
Disposals	-	34.76	149.47	1.04	257.40	39.49	482.16
<b>As at March 31, 2024</b>	<b>9,785.39</b>	<b>21,563.35</b>	<b>45,948.45</b>	<b>1,378.16</b>	<b>2,381.86</b>	<b>5,031.13</b>	<b>86,088.34</b>
<b>Accumulated depreciation</b>							
As at April 1, 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
Charge for the year	-	1,044.88	3,364.60	51.15	326.17	587.69	5,374.49
Disposals	-	20.97	84.78	0.69	182.82	35.12	324.38
<b>As at March 31, 2024</b>	<b>-</b>	<b>10,098.67</b>	<b>30,891.09</b>	<b>978.53</b>	<b>1,253.16</b>	<b>3,852.58</b>	<b>47,074.03</b>
<b>Net carrying value</b>							
As at March 31, 2023	9,785.39	12,348.34	17,154.77	383.24	730.08	1,029.47	41,431.29
<b>As at March 31, 2024</b>	<b>9,785.39</b>	<b>11,464.68</b>	<b>15,057.36</b>	<b>399.63</b>	<b>1,128.70</b>	<b>1,178.55</b>	<b>39,014.31</b>

#### Notes:

- Contractual commitment towards purchase of property, plant and equipment, refer note - 45
- Borrowing cost capitalized during the year is nil.
- A part of leasehold land, building and plant situated at Dahej, Gujarat has been leased out to group company Isgec Hitachi Zosen Limited for operation of its business.

The details of the assets leased out is given below :

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value	16,542.06	16,618.39
Accumulated depreciation	13,201.34	12,983.45
Net carrying value	3,340.72	3,634.94

### Note 4 : Right-of-use assets

(₹ in lakhs)

Particulars	Category of Right of Use asset		Total
	Land (Leasehold)	Buildings	
<b>Gross carrying value</b>			
As at April 1, 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
Additions	-	421.39	421.39
Deletions	-	250.33	250.33
<b>As at March 31, 2024</b>	<b>2,952.35</b>	<b>2,714.44</b>	<b>5,666.79</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Category of Right of Use asset		Total
	Land (Leasehold)	Buildings	
<b>Accumulated depreciation</b>			
As at April 1, 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
Charge for the year	82.57	576.72	659.29
Deletions	-	250.33	250.33
<b>As at March 31, 2024</b>	<b>695.35</b>	<b>1,329.65</b>	<b>2,025.00</b>
<b>Net carrying value</b>			
As at March 31, 2023	2,339.57	1,540.12	3,879.69
<b>As at March 31, 2024</b>	<b>2,257.00</b>	<b>1,384.79</b>	<b>3,641.79</b>

## Note 5 : Other intangible assets

(₹ in lakhs)

Particulars	Software	Technical know how	Total
<b>Gross carrying value</b>			
As at April 1, 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
Additions	1,735.60	-	1,735.60
Disposals	-	-	-
<b>As at March 31, 2024</b>	<b>4,252.49</b>	<b>6,786.13</b>	<b>11,038.62</b>
<b>Accumulated amortisation</b>			
As at April 1, 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
Charge for the year	350.96	276.90	627.86
Disposals	-	-	-
<b>As at March 31, 2024</b>	<b>2,538.73</b>	<b>5,597.86</b>	<b>8,136.59</b>
As at March 31, 2023	329.12	1,465.17	1,794.29
<b>As at March 31, 2024</b>	<b>1,713.76</b>	<b>1,188.27</b>	<b>2,902.03</b>

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

Particulars	As at March 31, 2024			As at March 31, 2023		
	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)
<b>Investment in equity instruments (at cost)</b>						
<b>Equity shares of subsidiary companies fully paid up (unquoted)</b>						
Isgec Covema Limited	10	20,00,000	200.00	10	20,00,000	200.00
Isgec Exports Limited	10	100,000	10.00	10	100,000	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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2024			As at March 31, 2023		
	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)
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	510,000	51.00	10	510,000	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
<b>Total</b>			<b>16,929.69</b>			<b>16,929.69</b>
Provision for impairment in value of investments :						
- Eagle Press & Equipment Co. Limited, Canada			(1,300.80)			(594.80)
- Isgec Investments PTE Ltd, Singapore			(5.20)			(5.20)
<b>Total provision for impairment in value of investments</b>			<b>(1,306.00)</b>			<b>(600.00)</b>
			<b>15,623.69</b>			<b>16,329.69</b>
Aggregate amount of quoted investments and market value thereof :			-			-
Aggregate amount of unquoted investments:			16,929.69			16,329.69
Aggregate amount of impairment in value of investments:			1,306.00			600.00

## Note 7 : Non-current financial assets- Loans

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans to related parties</b>		
<b>Loans receivables considered good - Unsecured</b>		
Loan to subsidiary companies (refer note 49)	16,104.93	10,334.25
Interest accrued but not due on loan to subsidiary companies (refer note 49)	1,994.45	1,124.04
Allowance for expected credit losses	(853.56)	(527.05)
<b>Other loans</b>		
<b>Loans receivables considered good - Secured</b>		
Loans to employees	224.83	169.45
<b>Loans receivables considered good - Unsecured</b>		
Loans to employees	200.22	168.48
<b>Total</b>	<b>17,670.87</b>	<b>11,269.17</b>

## Note 7.1 : Movement of allowance for expected credit losses

(₹ in lakhs)

Particulars	2023-24	2022-23
<b>Movement of allowance for expected credit losses</b>		
Opening balance at the beginning of the year	527.05	409.08
Provided during the year	326.51	117.97
Amounts written off	-	-
Reversal of provisions	-	-
<b>Closing balance at the end of the year</b>	<b>853.56</b>	<b>527.05</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 8 : Non-current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	6,906.46	6,962.25
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Allowance for expected credit losses	(5.75)	(5.00)
<b>Total</b>	<b>6,900.71</b>	<b>6,957.25</b>

## Note 8.1 : Non-current trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2024 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	6,906.46	-	-	-	6,906.46
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	-	-	-	-	-
<b>Total</b>	<b>6,906.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,906.46</b>
vii) Allowance for credit losses					(5.75)
<b>Total</b>					<b>6,900.71</b>

(₹ 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	-	-	-	-	-
<b>Total</b>	<b>6,962.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,962.25</b>
vii) Allowance for credit losses					(5.00)
<b>Total</b>					<b>6,957.25</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>		
- Fixed deposits with banks having maturity of more than twelve months	-	25.41
- Security deposits *	1,155.16	1,036.70
- Bank fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve month	570.14	800.00
- Interest accrued but not due on deposits	3.45	36.82
<b>Total</b>	<b>1,728.75</b>	<b>1,898.93</b>

\* includes balances with related parties (refer note 49)

### Note 10 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Advances recoverable other than in cash</b>		
<b>Considered good - unsecured</b>		
Capital advances	882.90	47.77
Prepaid expenses	88.38	162.48
<b>Total</b>	<b>971.28</b>	<b>210.25</b>

### Note 11 : Inventories (at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Raw materials</b>		
Raw materials	21,551.63	18,592.78
Raw materials in transit	233.24	930.78
<b>Work - in - progress</b>		
Engineering goods	37,811.85	26,963.82
Ingots and steel castings	2,693.99	3,891.92
<b>Stock-in-trade</b>		
Goods in transit	11,203.94	10,552.62
Goods at warehouse	622.80	335.59
<b>Stores and spares</b>		
Stores and spares	3,546.97	2,763.79
Loose tools	99.10	79.96
<b>Total</b>	<b>77,763.52</b>	<b>64,111.26</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 12 : Current Financial Assets - investments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At fair value through profit or loss</b>		
<b>a) Other investments</b>		
<b>-Unquoted</b>		
Annuities in Senior Secured Estate Transactions II Fund- Essel Finance	122.16	122.16
ASK Real Estate Special Opportunities Fund	271.18	521.90
ASK Real Estate Special Situations Fund	106.54	142.92
Edelweiss Real Estate Opportunities Fund (EROF)	26.04	56.11
Investcorp Score Fund	47.11	77.38
Indiabulls High Yield Fund	54.55	120.42
Indiabulls Dual Advantage Commercial Asset Fund	441.23	519.44
Nippon India Yield Maximiser Fund Scheme-I	8.93	18.43
Nippon India Yield Maximiser Scheme-III	67.25	81.72
	1,144.99	1,660.48
<b>Total current investments</b>	<b>1,144.99</b>	<b>1,660.48</b>
<b>Aggregate value of investments :</b>		
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments (accounted based on respective net asset value)	1,144.99	1,660.48
Aggregate amount of impairment in value of investments	-	-

## Note 13 : Current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured *	3,16,533.11	2,84,229.63
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	14.42	14.42
Allowance for expected credit losses	(5,861.18)	(5,426.14)
<b>Total</b>	<b>3,10,686.35</b>	<b>2,78,817.91</b>

\* includes balances with related parties (refer note 49)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 13.1 : Current trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2024 for the following period from the due date of payment						Total
	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	
i) Undisputed Trade receivables - considered good	1,49,301.76	1,15,430.19	10,826.09	8,108.22	2,305.57	29,893.34	3,15,865.17
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	344.26	-	-	-	-	323.68	667.94
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	14.42	14.42
<b>Total</b>	<b>1,49,646.02</b>	<b>1,15,430.19</b>	<b>10,826.09</b>	<b>8,108.22</b>	<b>2,305.57</b>	<b>30,231.44</b>	<b>3,16,547.53</b>
vii) Allowance for credit losses							(5,861.18)
<b>Total</b>							<b>3,10,686.35</b>

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2023 for the following period from the due date of payment						Total
	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	
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
<b>Total</b>	<b>1,92,546.58</b>	<b>51,073.11</b>	<b>4,937.39</b>	<b>6,510.60</b>	<b>4,207.94</b>	<b>24,968.43</b>	<b>2,84,244.05</b>
vii) Allowance for credit losses							(5,426.14)
<b>Total</b>							<b>2,78,817.91</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 14 : Current financial assets - Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In current and cash credit accounts	3,736.53	12,117.22
- In fixed deposit accounts with original maturity of less than three months	2,500.00	-
Cheques and drafts on hand	50.90	83.84
Cash on hand	11.12	13.58
<b>Total</b>	<b>6,298.55</b>	<b>12,214.64</b>

## Note 15 : Current financial assets - Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
- In fixed deposit under lien held as margin money (for bank guarantees maturing within one year)	1,734.77	1,327.83
Earmarked - unclaimed dividend accounts	58.79	79.07
<b>Total</b>	<b>1,793.56</b>	<b>1,406.90</b>

## Note 16 : Current financial assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Other loans</b>		
<b>Loans receivables considered good - Secured</b>		
Loans to employees	59.77	46.66
<b>Loans receivables considered good - Unsecured</b>		
Advances to employees	977.78	663.17
Advance to group gratuity trust	46.55	104.32
<b>Total</b>	<b>1,084.10</b>	<b>814.15</b>

## Note 17 : Current financial assets - Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Considered good - Secured</b>		
Security deposits	-	141.96
<b>Considered good - Unsecured</b>		
Security deposits	2,381.71	1,286.65
Interest accrued on security deposits	10.19	9.30
<b>Derivatives</b>		
Foreign exchange forward contract receivables	86.91	130.09
<b>Others</b>		
Interest accrued but not due on bank fixed deposits	105.08	202.72
Recoverables from related party (refer note 49)	385.71	110.75
<b>Total</b>	<b>2,969.60</b>	<b>1,881.47</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 18 : Current tax assets/(liabilities) (net)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Income Taxes	7,150.06	5,649.94
Less: Provisions for income- tax	7,806.23	6,385.29
<b>Total</b>	<b>(656.17)</b>	<b>(735.35)</b>

### Note 19 : Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Advances other than capital advances</b>		
Advances to related parties (refer note 49)	6,694.64	1,394.01
Advances to suppliers	22,644.35	22,467.16
Allowance for expected credit losses	(335.00)	(335.00)
<b>Others</b>		
Unbilled revenue	43,234.65	48,847.45
Allowance for expected credit losses	(64.23)	(43.05)
Prepaid expenses	740.60	1,847.17
Balance with government authorities	15,636.51	10,964.41
Export Incentive receivable	460.38	501.33
Others *	298.62	317.01
<b>Total</b>	<b>89,310.52</b>	<b>85,960.49</b>

\* 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	2023-24	2022-23
<b>Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers</b>		
Opening balance at the beginning of the year	<b>378.05</b>	-
Provided during the year		
-Advances to suppliers	-	335.00
-Unbilled Revenue	21.18	43.05
Amounts written off	-	-
Reversal of provisions	-	-
<b>Closing balance at the end of the year</b>	<b>399.23</b>	<b>378.05</b>
<b>-Advances to suppliers</b>	<b>335.00</b>	<b>335.00</b>
<b>-Unbilled Revenue</b>	<b>64.23</b>	<b>43.05</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 20 : Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>Authorised share capital</b>	8,50,00,000	850.00	8,50,00,000	850.00
(Equity shares of ₹ 1/- each with voting rights)				
<b>Issued, subscribed &amp; paid up</b>	7,35,29,510	735.29	7,35,29,510	735.29
(Equity shares of ₹ 1/-each fully paid up with voting rights)				
<b>Total</b>	<b>7,35,29,510</b>	<b>735.29</b>	<b>7,35,29,510</b>	<b>735.29</b>

## Notes:

**a. The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:**

"The Company has only one class of equity shares having a par value of ₹1 per share. Each shareholder 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 shareholders.

**b. Reconciliation of the number of shares and amount outstanding:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>Equity shares outstanding at the beginning of the Year</b>	7,35,29,510	735.29	7,35,29,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>7,35,29,510</b>	<b>735.29</b>	<b>7,35,29,510</b>	<b>735.29</b>

**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, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
(i) The Yamuna Syndicate Limited	3,30,84,798	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%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### d. Shareholding of Promoters:

Shares held by promoters at the end of the year					% change during the year
Promoter name	As at March 31, 2024		As at March 31, 2023		
	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%	No change
(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%	
(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%	

### Note 21 : Other equity

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital reserve</b>		
Balance outstanding at the beginning of the year	0.01	0.01
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
<b>Balance outstanding at the end of the year</b>	<b>0.01</b>	<b>0.01</b>
<b>(b) Capital redemption reserve</b>		
Balance outstanding at the beginning of the year	3.24	3.24
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
<b>Balance outstanding at the end of the year</b>	<b>3.24</b>	<b>3.24</b>
<b>(c) Securities premium</b>		
Balance outstanding at the beginning of the year	450.22	450.22
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
<b>Balance outstanding at the end of the year</b>	<b>450.22</b>	<b>450.22</b>
<b>(d) General reserve</b>		
Balance outstanding at the beginning of the year	17,439.54	17,439.54
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
<b>Balance outstanding at the end of the year</b>	<b>17,439.54</b>	<b>17,439.54</b>
<b>(e) Retained earnings</b>		
Balance outstanding at the beginning of the year	1,75,942.61	1,59,694.91
Add: Net profit for the year	23,170.68	17,792.32
Add: Items of other comprehensive income recognised directly in retained earnings		
-Remeasurement of post employment benefit obligation (net of tax) (refer note 21.1)	(75.29)	(74.03)
Less: Appropriations		
- Dividend for the year ended March 31, 2023 @ ₹ 3 per share of ₹ 1 each (for the year ended March 31, 2022 @ ₹ 2 per share of ₹ 1 each)	2,205.89	1,470.59
<b>Balance outstanding at the end of the year</b>	<b>1,96,832.11</b>	<b>1,75,942.61</b>
<b>Total</b>	<b>2,14,725.12</b>	<b>1,93,835.62</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**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 earnings.

### Note 21.2 : Nature and purpose of reserves

#### Capital Reserve

400 equity shares of ₹ 1/- each are yet to be allotted by way of bonus shares on receipt of fractional certificates, value of which has been shown under capital reserve.

#### Capital Redemption Reserve

Capital redemption reserve of ₹ 1.58 lakhs was created against the redemption of cumulative preference shares in financial year 1991-92 and ₹ 1.66 lakhs against the buy back of equity shares in financial year 2013-14.

#### Securities Premium

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

#### General Reserve

This represents appropriation of profit after tax by the company.

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. 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, 2024	As at March 31, 2023
Secured		
Term loan from bank (refer note 22.1)	720.72	-
<b>Total</b>	<b>720.72</b>	<b>-</b>

#### 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, 2024	-	-	-	7.35%	19,999.92	The loan is repayable in 8 quarterly equal installment over 2 years after 1 year of 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, 2023	9,999.96	9,999.96	-	7.35%			

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ 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, 2024	720.72	-	720.72	8.60%	720.72	6 year door-to-door tenor with 2 years of moratorium from the date of disbursement. Repayment in 16 equal quarterly instalments, thereafter.	Exclusive charges over Corporate Office being built at Plot No. 4, Sector 142, Noida.
As at March 31, 2023	-	-	-	-	-	-	-

**Note 22.2 - Disclosure in terms of Clause 4.3 of SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 (further amended through SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/049 dated March 31, 2023) 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 longterm borrowing is more than Rs. 10,000 Lakhs as on 31st March, 2022 and have Credit Rating AA(Negative) and A1+ from ICRA.

b. Details of Current block

i)	3 Year block period	FY 2021-22, FY 2022-23 and FY 2023-24
ii)	Incremental borrowing done in FY 2023-24 in long term borrowings	₹. 720.72 Lakhs
iii)	Mandatory borrowing to be done through debt securities in FY 2023-24 ( 25% of (ii))	₹. NIL Lakhs
iv)	Actual borrowing done through debt securities in FY 2023-24	NIL
v)	Shortfall in the borrowing through debt securities, if any, for FY2021-22 carried forward to FY 2023-24	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 2023-24. (iii)-[(iv)-(vi)]	NIL

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

i)	3 year block period	FY 2021-22, FY 2022-23 and FY 2023-24
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, 2024	As at March 31, 2023
Security deposit under car loan scheme	126.21	103.09
Security deposit	7.95	8.50
<b>Total</b>	<b>134.16</b>	<b>111.59</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**Note 24 : Long term provisions**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
-Leave encashment	2,089.37	1,988.55
-Pension provision	432.24	794.42
	<b>2,521.61</b>	<b>2,782.97</b>
Provision for Guarantee liabilities (refer note 24.3)	833.01	710.09
Provision for warranty (refer note 24.1 and 24.2)	1,976.09	4,114.99
<b>Total</b>	<b>5,330.71</b>	<b>7,608.05</b>

**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	2023-24	2022-23
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	13,391.38	14,764.47
Additional provision made during the year	4,854.85	4,368.29
Amount used during the year	(74.32)	(259.42)
Amount reversed during the year	(940.49)	(5,177.25)
Adjustment due to discounting	304.37	(304.71)
<b>Carrying amount at the end of the year</b>	<b>17,535.79</b>	<b>13,391.38</b>
<b>Break up of Carrying amount at the end of the year</b>		
Long term provisions	1,976.09	4,114.99
Short term provisions (refer note 31)	15,559.70	9,276.39

**Note 24.3 : Movement of provision for Guarantee liabilities**

(₹ in lakhs)

Particulars	2023-24	2022-23
Movement of provision for Guarantee liabilities		
Carrying amount at the beginning of the year	710.09	-
Additional provision made during the year	122.92	710.09
Amount used during the year	-	-
Amount reversed during the year	-	-
Adjustment due to discounting	-	-
Carrying amount at the end of the year	833.01	710.09
<b>Break up of Carrying amount at the end of the year</b>		
Long term provisions	833.01	710.09
Short term provisions	-	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 25 : Deferred Tax

#### 25.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits deductible in future years	772.07	790.93
Property, plant and equipment	454.64	292.83
Right of use assets	37.80	27.18
Provision for expected credit losses - Trade receivables	1,476.59	1,366.91
Provision for expected credit losses - Advance to suppliers	84.31	84.31
Provision for expected credit losses - Loan to subsidiaries	214.82	132.64
Provision for expected credit losses - Unbilled revenue	16.17	10.83
Provision for expected credit losses - Guarantee liability	209.66	178.72
Provision for impairment on investments	328.69	151.01
Fair valuation of investments	58.59	16.11
Fair valuation of security deposits	(3.17)	(1.00)
Overdue payments of Micro and Small Enterprises	12.41	-
<b>Net deferred tax (liabilities) / assets</b>	<b>3,662.58</b>	<b>3,050.47</b>

#### 25.2 : Movement in deferred tax liabilities/deferred tax assets

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	Overdue payments of Micro and Small Enterprises	Total
				Trade receivables	Guarantee liability	Unbilled Revenue	Advance to suppliers	Loan to subsidiaries					
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
(Charged)/ credited:-													
-to profit & loss	(44.18)	161.81	10.62	109.68	30.94	5.34	-	82.18	177.68	42.48	(2.17)	12.41	586.79
-to other comprehensive income	25.32	-	-	-	-	-	-	-	-	-	-	-	25.32
At March 31, 2024	772.07	454.64	37.80	1,476.59	209.66	16.17	84.31	214.82	328.69	58.59	(3.17)	12.41	3,662.58

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**Note 26 : Other non-current liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	13,905.62	14,864.89
<b>Total</b>	<b>13,905.62</b>	<b>14,864.89</b>

**Note 27 : Current financial liabilities - Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans repayable on demand</b>		
<b>Secured</b>		
From banks		
Working capital demand loan (refer note 27.1 and 27.2)	0.54	26,400.00
Cash credit accounts (refer note 27.1 and 27.3)	337.79	2,921.07
Packing credit loans from banks (In Indian rupees) (refer note 27.1 and 27.4)	-	4,000.00
Current maturities of long term debt (refer note 22.1)	-	9,999.93
<b>Unsecured</b>		
Other loans (refer note 27.5)	1,864.14	1,356.42
<b>Total</b>	<b>2,202.47</b>	<b>44,677.42</b>

**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 7.30% to 8.25% during the above periods.

**Note: 27.3** Repayable on demand. Rates of Interest for cash credit accounts varied from 7.30% to 9.85% during the above periods.

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
In Indian rupees	5.57%	5.21%

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

**Note 28 : Current financial liabilities - Trade payables**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (refer note 28.1)	4,456.03	5,967.95
Total outstanding dues of creditors other than micro and small enterprises *	1,22,310.23	1,27,164.26
<b>Total</b>	<b>1,26,766.26</b>	<b>1,33,132.21</b>

\* includes balances with related parties (refer note 49)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 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:

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	4,456.03	5,967.95
- interest	5.20	6.18
(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 of the Act.	-	-

### Note 28.2 : Trade payables ageing

Particulars	(₹ in lakhs)					
	Outstanding as on March 31, 2024 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	4,765.77	49.31	-	-	-	4,815.08
ii) Others	71,691.83	15,433.41	648.71	500.36	1,057.15	89,331.46
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	32,619.72	-	-	-	-	32,619.72
<b>Total</b>	<b>1,09,077.32</b>	<b>15,482.72</b>	<b>648.71</b>	<b>500.36</b>	<b>1,057.15</b>	<b>1,26,766.26</b>

Particulars	(₹ in lakhs)					
	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
<b>Total</b>	<b>1,08,863.92</b>	<b>19,840.84</b>	<b>1,290.67</b>	<b>877.48</b>	<b>2,259.30</b>	<b>1,33,132.21</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 29 : Current financial liabilities - Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividends	58.79	79.07
Interest accrued but not due on borrowings	8.06	22.21
Security deposits received	298.64	235.39
Payable to employees	3,283.66	2,509.69
Foreign exchange forward contract payable	86.91	130.09
Capital creditors	306.48	209.44
Managerial /directors remuneration payable *	693.43	533.52
Expense payable	2,193.27	1,575.97
Other payables #	836.12	634.34
<b>Total</b>	<b>7,765.36</b>	<b>5,929.72</b>

\* 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, 2024	As at March 31, 2023
Advance from customers	99,300.53	57,525.03
Unearned revenue	86,660.72	60,156.71
Statutory dues	8,660.94	2,852.74
Government grant	17.27	17.27
Others *	865.65	1,499.48
<b>Total</b>	<b>1,95,505.11</b>	<b>1,22,051.23</b>

\* includes provision for site expense

## Note 31 : Short term provisions

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
-Leave encashment	253.15	236.92
-Gratuity (refer note 37.1)	446.35	354.28
-Pension provision	292.87	122.70
	<b>992.37</b>	<b>713.90</b>
Provision for CSR (refer note 40.1)	2.44	36.00
Provision for warranty (refer note 24.1 and 24.2)	15,559.70	9,276.39
<b>Total</b>	<b>16,554.51</b>	<b>10,026.29</b>

## Note 32 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	4,31,157.19	4,09,952.90
Erection, commissioning and related services	48,614.86	45,711.80
Other operating revenue (refer note 32.1)	6,367.71	9,527.01
<b>Total</b>	<b>4,86,139.76</b>	<b>4,65,191.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 32.1 : Other operating revenues

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Commission earned	281.83	-
Export incentives	754.04	1,648.40
Packing receipts	3.43	19.34
Unclaimed balances / liabilities no longer required written back	-	72.65
Foreign exchange fluctuations	1,645.62	1,947.11
Fair value gain on derivatives	120.44	243.11
Sale of scrap and waste	1,591.67	1,999.88
Lease rent receipts {refer note 46 (B)}	1,970.00	2,561.25
Miscellaneous income	0.68	1,035.27
<b>Total</b>	<b>6,367.71</b>	<b>9,527.01</b>

### Note 33 : Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>(a) Interest income :</b>		
On loans to subsidiary companies	868.23	650.08
On bank deposits	101.66	91.50
On other deposits and investments	243.01	276.21
On financial assets measured at amortised cost	8.63	7.85
<b>Total</b>	<b>1,221.53</b>	<b>1,025.64</b>
<b>(b) Dividend income on equity investments :</b>		
Subsidiary companies		
- Saraswati Sugar Mills Limited	2,129.97	1,419.98
- Isgec Hitachi Zosen Limited	102.00	51.00
- Isgec Titan Metal Fabricators Private Limited	102.00	127.50
- Isgec SFW Boilers Private Limited	102.00	71.40
Other companies	0.17	0.13
<b>Total</b>	<b>2,436.14</b>	<b>1,670.01</b>
<b>(c) Net gain on sale of current investments</b>	211.95	35.37
<b>Total</b>	<b>211.95</b>	<b>35.37</b>
<b>(d) Other non operating income :</b>		
Profit on sale of property, plant and equipment	46.46	44.11
Insurance claim receipts	203.13	180.29
Miscellaneous income	354.67	543.48
<b>Total</b>	<b>604.26</b>	<b>767.88</b>
<b>Grand Total</b>	<b>4,473.88</b>	<b>3,498.90</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Note 34 : Cost of materials consumed

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw material and components consumed (refer note 34.1)	96,078.38	87,260.15
Store consumed	5,144.54	5,202.94
<b>Total</b>	<b>1,01,222.92</b>	<b>92,463.09</b>

## Note 34.1 : Details of raw materials and components consumed

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Iron and steel	26,485.06	21,697.89
Tubes & pipes	21,779.89	21,878.12
Alloys	2,023.47	3,297.28
Components and M.S. scrap	45,789.96	40,386.86
<b>Total</b>	<b>96,078.38</b>	<b>87,260.15</b>

## Note 35 : Purchases of Stock-in-Trade

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Purchases of stock-in-trade	1,88,697.41	1,80,150.10
Provision/(reversal) for foreseeable losses on construction contracts	1,161.29	865.31
<b>Total</b>	<b>1,89,858.70</b>	<b>1,81,015.41</b>

## Note 36 : Changes in inventories of finished goods, Stock - in - Trade &amp; work - in - progress

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock		
Work - in - progress	30,855.74	27,970.76
<b>Total</b>	<b>30,855.74</b>	<b>27,970.76</b>
Closing stock		
Work - in - Progress	40,505.84	30,855.74
<b>Total</b>	<b>40,505.84</b>	<b>30,855.74</b>
<b>Changes in inventory</b>	<b>(9,650.10)</b>	<b>(2,884.98)</b>

## Note 37 : Employee benefits expense

Particulars	₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries & wages	34,926.14	31,030.29
Contribution to provident & other funds	2,585.86	2,523.64
Staff welfare expenses	576.32	746.25
<b>Total</b>	<b>38,088.32</b>	<b>34,300.18</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 37.1 : Additional information as per Ind AS 19, employee benefits

#### a. Defined contribution plan:

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

(₹ in lakhs)		
Particulars	2023-24	2022-23
<b>Employer contribution towards:</b>		
Employees state insurance	4.05	4.72
Superannuation fund	32.31	36.40
National pension scheme	96.20	174.25
Labour welfare fund	9.84	7.48
<b>Total</b>	<b>142.40</b>	<b>222.85</b>

#### b. Defined Benefits Plan:

The liability for employee gratuity is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(₹ in lakhs)		
Particulars	Gratuity (Funded)	
	2023-24	2022-23
<b>i. Change in present value of obligation</b>		
a. Present value of obligation at the beginning of the year	7,022.65	6,695.68
b. Interest cost	518.97	483.43
c. Current service cost	610.29	537.46
d. Benefits paid	(901.55)	(781.68)
e. Actuarial (gain) / loss	91.96	87.76
f. Present value of obligation at the end of the year	7,342.32	7,022.65
<b>ii. Change in the fair value of plan assets</b>		
a. Fair value of plan assets at the beginning of the year	6,668.37	6,381.92
b. Expected Interest Income	492.79	460.77
c. Actuarial gain/(loss) for the year on asset	(8.65)	(11.17)
d. Contributions	655.78	624.77
e. Mortality, admin and FMC charges	(10.77)	(6.24)
f. Benefits paid	(901.55)	(781.68)
g. Fair value of plan assets at the end of the year	6,895.97	6,668.37
<b>iii. Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets at the end of the year	6,895.97	6,668.37
b. Present value of obligation at the end of the year	7,342.32	7,022.65
c. Amount recognised in the balance sheet	(446.35)	(354.28)
- Current	(446.35)	(354.28)
- Non current	-	-
<b>iv. Expenses recognised in the statement of profit &amp; loss</b>		
a. Current service cost	610.29	537.46
b. Interest cost	518.97	483.43
c. Expected return on plan assets	(492.79)	(460.77)
d. Expenses recognised in the profit & loss	636.47	560.12
<b>v. Recognised in other comprehensive income for the year</b>		
a. Net cumulative unrecognized actuarial gain/(loss) opening	48.49	147.42

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2023-24	2022-23
b. Actuarial gain/(loss) for the year on present benefit obligation	(91.96)	(87.76)
c. Actuarial gain/(loss) for the year on assets	(8.66)	(11.17)
d. Unrecognized actuarial gain/(loss) at the end of the year	(52.13)	48.49
<b>vi. Actuarial assumptions</b>		
a. Discount rate (per annum)	7.23%	7.39%
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%

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

(₹ in lakhs)

Particulars	Gratuity (funded)				
	2023-24	2022-23	2021-22	2020-21	2019-20
Defined benefit obligation	7,342.32	7,022.65	6,695.68	6,596.44	6,841.86
Plan assets	6,895.97	6,668.37	6,381.92	6,345.70	6,404.10
Surplus / (deficit)	(446.35)	(354.28)	(313.76)	(250.74)	(437.76)

## d. Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
a. Within next twelve months	942.53	988.45
b. Between one to five years	2,171.59	2,003.82
c. Between five to ten years	4,228.20	4,030.38

## e. Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (funded)	
	2023-24	2022-23
<b>(a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	7,342.32	7,022.65
(i) Impact due to increase of 0.50%	(279.16)	(268.41)
(ii) Impact due to decrease of 0.50%	300.76	289.20
<b>(b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	7,342.32	7,022.65
(i) Impact due to increase of 0.50%	301.43	290.30
(ii) Impact due to decrease of 0.50%	(282.28)	(271.80)

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)	
	2023-24	2022-23
Fund managed by insurer	100%	100%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### g. Other long term employee benefits

#### Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rate (%)	Rate (%)
a) Discount rate	7.23 - 7.38	7.36 - 7.38
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

Particulars	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
	Mortality rate for specimen ages	15	0.000698	45	0.002579	75
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, 2023: ₹ 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, 2024.

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1788.21 lakhs for provident fund during the year ended March 31, 2024 (March 31, 2023: ₹ 1676.02 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 STANDALONE FINANCIAL STATEMENTS

## j. Defined Contribution Plan : Pension

(₹ in lakhs)

Asset/Liability	2023-24	2022-23
Present value of obligation	(725.10)	(917.12)
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(725.10)	(917.12)

(₹ in lakhs)

The Break down in given below	2023-24	2022-23
Interest Guarantee Liability	(72.27)	(93.89)
(Shortfall)/Surplus in fund	(652.83)	(823.23)
Net (Shortfall)/ Surplus	(725.10)	(917.12)

## Principal assumptions are as follows

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rate (%)	Rate (%)
a) Discount rate	7.23	7.32
b) Expected interest rate on the ledger balance	7.96	7.47
c) Retirement age (years)	60	60
d) Ages (withdrawal rate %)		
Up to 30 Years	N/A	N/A
From 31 to 44 Years	N/A	N/A
Above 44 Years	N/A	N/A

## Note 38 : Finance costs

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Interest	3,714.70	3,372.85
Interest on lease liability	144.65	89.72
Other borrowing costs	208.61	238.11
<b>Total</b>	<b>4,067.96</b>	<b>3,700.68</b>

## Note 39 : Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Depreciation of property plant & equipment	5,374.49	5,155.59
Depreciation / amortization of right-of-use-assets	659.29	539.68
Amortization of intangible assets	627.86	615.78
<b>Total</b>	<b>6,661.64</b>	<b>6,311.05</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 40 : Other expense

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power & fuel	3,981.82	3,494.25
Other manufacturing expenses	22,189.47	18,365.29
Repairs & maintenance		
-Plant and machinery	1,363.81	1,818.59
-Building	1,048.53	438.72
-Others	313.18	166.27
Rent	730.35	643.84
Insurance	1,387.01	1,178.80
Rates and taxes	238.11	200.63
Commission to selling agents and others	714.11	1,148.81
Bank charges	1,661.54	1,566.34
Royalty	2,415.03	935.60
Electricity and water charges	676.63	698.16
Donation	6.29	2.49
Office and miscellaneous expenses	10,724.23	9,596.51
Legal and professional charges	276.13	694.12
Provision for expected credit loss	906.39	1,804.63
Provision for Impairment	706.00	600.00
Payment to auditors		
-Statutory audit fees	33.00	30.00
-Other services including certification work	0.83	1.49
-For reimbursement of expenses	3.48	5.22
Packing, forwarding and transportation expenses	7,687.90	9,985.20
Design & technical expenses	4,487.45	8,799.55
Travelling expenses	4,987.60	4,437.56
Loss on current investments carried at fair value through profit or loss	232.79	100.25
Fair value loss on derivatives	120.44	243.11
Managerial remuneration	836.50	676.10
Non executive directors' remuneration / sitting fee	26.85	20.21
Corporate social responsibility (CSR) expenses (refer note 40.1)	457.88	435.15
Loss on property, plant and equipment sold / written off	82.06	35.25
<b>Total</b>	<b>68,295.41</b>	<b>68,122.14</b>

#### Note 40.1: CORPORATE SOCIAL RESPONSIBILITY

Disclosure related to corporate social responsibility:

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i. Amount required to be spent by the company for the year	457.88	435.15
ii. Amount arising out of previous financial year	36.00	160.93
iii. Amount of expenditure incurred	491.44	560.08
iv. Shortfall at the end of the year	2.44	36.00
v. Total of previous years shortfall	2.44	36.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- vi. Reason for shortfall - This amount is to be spent on ongoing projects.
- vii. Nature of CSR activities-
- Promoting Education & Ensuring Environmental Sustainability - Providing Solar Power Systems and Rain Water Harvesting Systems to Schools, providing Training and Skill Development to Apprentice
- viii. Details of related party transactions :
- Contribution during the year ending March 31, 2024 - Nil (Previous year Nil)
  - Payable as at March 31, 2024 - 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

Particulars

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>(a) Current Tax</b>		
Current tax on profit for the year	7,806.23	6,385.29
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expenses</b>	<b>7,806.23</b>	<b>6,385.29</b>
<b>(b) Deferred tax</b>		
Decrease/(Increase) in Deferred Tax Assets	(588.96)	(740.05)
(Decrease)/Increase in Deferred Tax Liabilities	2.17	1.98
<b>Total Deferred Tax Expenses</b>	<b>(586.79)</b>	<b>(738.07)</b>
<b>Total Income Tax Expenses</b>	<b>7,219.44</b>	<b>5,647.22</b>

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before income tax	30,390.12	23,439.54
Statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	7,648.59	5,899.26
Expenditure for which deduction is not allowed under Income Tax Act	141.56	157.41
Differential tax rate on fair value of investments	58.59	25.23
Differential tax rate on sale of investments	(2.17)	(1.98)
Tax on exempt income	(613.13)	(420.31)
Other deductions	(14.00)	(12.39)
<b>Total</b>	<b>7,219.44</b>	<b>5,647.22</b>

### Note 42 : Earnings per share (Ind AS 33)

Particulars		
	Year ended March 31, 2024	Year ended March 31, 2023
a) Net profit available to equity shareholders (₹ in lakhs)	23,170.68	17,792.32
b) Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	73,529,510	73,529,510
c) Nominal value of equity share (in ₹)	1.00	1.00
d) Basic earning per share (in ₹)	31.51	24.20
e) Diluted earning per share (in ₹)	31.51	24.20

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 43 : Contingent liabilities (Ind AS 37)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Contingent Liabilities:</b>		
<b>(to the extend not provided for)</b>		
a) Claims against the company not acknowledged as debts	6,629.47	3,441.90
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and advance authorisation and others	9,004.93	8,534.93

### Note 44 : Corporate guarantees

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Corporate guarantees given to banks to secure credit facilities given to Isgec Hitachi Zosen Limited	28,944.54	36,464.46
b) Corporate guarantees given to banks to secure credit facilities given to Isgec Titan Metal Fabricators Private Limited	3,080.38	4,891.32
c) Corporate guarantees given to bank to secure credit facilities given to Isgec Redecam Enviro Solutions Private Limited	1,535.82	776.58
d) SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan and Working Capital Facility to Eagle Press & Equipment Co. Ltd., Canada	2,364.67	4,568.61
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	17,071.94	9,354.68
f) Corporate guarantees given to HSBC Philippines to secure Working Capital facility to Cavite Biofuels Producers Inc	2,961.32	-

### Note 45 : Commitments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	6,041.54	1,046.03

### 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, 2024	Year ended March 31, 2023
a) Residential premises	719.65	594.48
b) Commercial premises	6.22	45.16
c) Plant and machinery	4.48	4.20
<b>Total</b>	<b>730.35</b>	<b>643.84</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The balance sheet shows the following amounts relating to leases:

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Building	1,384.79	1,540.12
Land	2,257.00	2,339.57
Furniture, fittings and equipment	-	-
<b>Total</b>	<b>3,641.79</b>	<b>3,879.69</b>

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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>Lease Liabilities</b>		
Current	451.05	466.32
Non-current	1,083.95	1,181.81
<b>Total</b>	<b>1,535.00</b>	<b>1,648.13</b>

The following is the movement in lease liabilities:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Balance at the beginning of the year</b>	1,648.13	914.53
Additions	413.93	1,199.38
Finance cost accrued during the period	144.65	89.72
Deletions	-	8.36
Payment for leases	671.71	547.14
<b>Balance at the end of the year</b>	<b>1,535.00</b>	<b>1,648.13</b>

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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
(i) Less than one year	511.11	517.55
(ii) One to five years	1,157.05	1,273.30
(iii) More than five years	27.11	3.29
<b>Total</b>	<b>1,695.27</b>	<b>1,794.14</b>

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 ₹ 730.35 lakhs for the year ended March 31, 2024 (Previous year ₹ 643.84 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:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Not later than one year	2,178.50	2,018.88
(ii) Later than one year and not later than five years	8,619.24	7,386.17
(iii) Later than five years	5,609.86	7,439.14
<b>Total</b>	<b>16,407.60</b>	<b>16,844.19</b>

### 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:-

- Manufacturing of machinery and equipment segment
- Engineering, procurement and construction segment

Composition of the segments consists of:

**Manufacturing of machinery & equipment segment** comprising manufacture of process plant equipments, presses, castings, boiler tubes & panels and containers.

**Engineering, procurement and construction segment** consists of projects and turnkey solutions for sugar plants, distilleries, power plants, boilers, air pollution control equipments, buildings and factories.

The Segments reported are as per Ind AS 108 "Operating Segments" read with SEBI Circular dated 5th July, 2016. The identification of Operating Segments is consistent with performance assessment by the Management.

In respect of both these Segments for the Company, sales and margins do not accrue uniformly during the year.

#### 1. Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	1,45,580.67	24,867.36	1,70,448.03	1,27,911.22	25,520.39	1,53,431.61
Engineering, Procurement and Construction	3,40,527.10	-	3,40,527.10	3,36,615.48	167.30	3,36,782.78
Unallocated	31.99	-	31.99	665.01	-	665.01
Elimination	-	(24,867.36)	(24,867.36)	-	(25,687.69)	(25,687.69)
<b>Segment Total</b>	<b>4,86,139.76</b>	<b>-</b>	<b>4,86,139.76</b>	<b>4,65,191.71</b>	<b>-</b>	<b>4,65,191.71</b>

#### 2. Segment Result (Profit/(Loss) before interest and tax)

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Manufacturing of Machinery & Equipment	21,415.98	13,568.44
Engineering, Procurement and Construction	12,887.71	14,296.85
Unallocated	(1,275.75)	(1,988.82)
<b>Operating Profit Before Interest and Tax</b>	<b>33,027.94</b>	<b>25,876.47</b>
Less: Interest Expense	(3,859.35)	(3,462.57)
Add: Interest Income	1,221.53	1,025.64
<b>Profit Before Tax</b>	<b>30,390.12</b>	<b>23,439.54</b>
Tax Expense	(7,219.44)	(5,647.22)
<b>Profit after tax</b>	<b>23,170.68</b>	<b>17,792.32</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 3. Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Manufacturing of machinery & equipment	155,252.01	125,357.66	65,564.93	59,508.16
Engineering, procurement and construction	382,171.77	368,528.58	295,239.58	278,761.33
Unallocated corporate assets/liabilities	51,610.39	43,532.93	12,769.25	4,578.77
<b>Total</b>	<b>589,034.17</b>	<b>537,419.17</b>	<b>373,573.76</b>	<b>342,848.26</b>
Less: Inter segment assets/liabilities	2,497.67	2,063.38	2,497.67	2,063.38
<b>Total</b>	<b>586,536.50</b>	<b>535,355.79</b>	<b>371,076.09</b>	<b>340,784.88</b>

### 4. Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Manufacturing of machinery & equipment	3,596.53	4,027.12	4,693.19	4,652.09
Engineering, procurement and construction	1,096.51	1,625.48	1,175.11	979.84
Unallocated	1,859.69	33.25	216.62	221.13

### 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, 2024	Year ended March 31, 2023
Revenue from external customers		
- Within India	439,858.76	401,332.43
- Outside India		
Nigeria	7,883.47	1,346.36
Morocco	964.63	6,622.24
Vietnam	692.87	14,300.51
Bangladesh	2,444.21	8,942.69
Other countries	34,295.82	32,647.48
<b>Total</b>	<b>486,139.76</b>	<b>465,191.71</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets		
- Within India	49,898.71	48,982.98
- Outside India	-	-
<b>Total</b>	<b>49,898.71</b>	<b>48,982.98</b>

c. Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2024

- Nil

(Previous year ended March 31, 2023 - Nil)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 48: Disclosure under Ind AS 115 “ Revenue from Contracts with Customers”

#### A. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Type of Services or goods</b>		
Revenue from Manufacturing of Machinery & Equipment	145,580.67	127,911.22
Revenue from Engineering, Procurement and Construction	340,527.10	336,615.48
Others	31.99	665.01
<b>Total revenue from sale of services or goods</b>	<b>486,139.76</b>	<b>465,191.71</b>
<b>Revenue from Contracts with Customers</b>		
Revenue from Customers based in India	439,858.76	401,332.43
Revenue from Customers based outside India	46,281.00	63,859.28
<b>Total Revenue from Contracts with Customers</b>	<b>486,139.76</b>	<b>465,191.71</b>
<b>Timing of Revenue Recognition</b>		
Goods and services transferred over time	340,527.10	336,615.48
Goods and services transferred at a point in time	145,612.66	128,576.23
	<b>486,139.76</b>	<b>465,191.71</b>

#### B. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	317,587.06	285,775.16
Contract assets	43,170.42	48,804.40
Contract liabilities	199,866.87	132,546.63

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 5,866.93 lakhs was recognised as provision for expected credit losses on trade receivables. (previous year ₹ 5,431.14 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, 2024	Year ended March 31, 2023
Amounts included in contract liabilities at the beginning of the year	132,546.63	120,373.48
Amount received against contract liability during the year	272,386.69	150,206.33
Performance obligations satisfied during the year	205,066.45	138,033.18
Amounts included in contract liabilities at the end of the year	199,866.87	132,546.63

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### D. Performance obligation and remaining performance obligation:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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	551,607.95	651,424.45
(b) When the entity expects to recognise as revenue		
Within one year	66.42%	59.47%
Within two years	27.89%	35.21%
Within five years	5.69%	5.32%
Thereafter	0.00%	0.00%

### 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, 2024	As at March 31, 2023
(i)	<b>Holding Company</b>	None		
(ii)	<b>Subsidiaries</b>			
1	Saraswati Sugar Mills Limited	India	100	100
2	Isgec Covema Limited	India	100	100
3	Isgec Exports Limited	India	100	100
4	Isgec Engineering & Projects Limited	India	100	100
5	Freelook Software Private Limited	India	100	100
6	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
<b>Stepdown subsidiaries of :</b>				
<b>- Eagle Press &amp; Equipment Co. Limited</b>				
	a) Eagle Press America Inc.	USA		
	b) 2197375 Ontario Inc.	Canada		
<b>- Isgec Investments PTE Ltd</b>				
	a) Bioeq Energy Holdings One	Cayman Islands		
	b) Bioeq Energy Pte. Ltd.	Singapore		
	c) Bioeq Energy B.V	Netherlands		
	d) Bioeq Energy Holdings Corp.	Philippines		
	e) Bukid Verde Inc.	Philippines		
	f) Cavite Biofuels Producers Inc.	Philippines		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2024	As at March 31, 2023
	<b>Stepdown associate of Bioeq Energy Holdings Corp.</b>			
1	Penwood Project Land Corp.	Philippines		
(iv)	<b>Entities over which key management personnel can exercise significant influence</b>			
1	Yamuna Syndicate Ltd.	India		
2	N. A. Cold Storages Private Limited	India		
3	Kamla Puri Charitable Trust	India		
4	Kamla Puri Charitable Foundation	India		
5	Blue Water Enterprises	India		
(v)	<b>Key Management Personnel</b>	<b>Designation</b>		
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. Rashi Sikka	Non Executive Independent Director (with effect from May 28, 2022)		
6	Mr. Arvind Sagar	Non Executive Independent Director		
7	Mr. Sudershan Kumar Khorana	Company Secretary (retired with effect from June 1,2022)		
8	Ms. Shweta Aggarwal	Company Secretary (Appointed as Company Secretary w.e.f June 1, 2022 and resigned w.e.f. November 15, 2022)		
9	Mr. Sachin Saluja	Company Secretary (Appointed as Company Secretary w.e.f November 15,2022)		
10	Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer		
11	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units		
(vi)	<b>Relative of Key Management Personnel</b>			
	Mrs. Nina Puri			
(vii)	<b>Trust for post employment benefit</b>	<b>Principal place of operation /Country of incorporation</b>	<b>Principal Activities</b>	
1	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust	
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
3	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
5	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust	
6	Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust	
7	Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2023-24	2022-23
1	<b>Purchase of goods</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	16.18	33.54
	Isgec Hitachi Zosen Limited	85.68	155.36
	Isgec Titan Metal Fabricators Pvt. Ltd.	10.45	71.91
	Isgec Redecam Enviro Solutions Pvt. Ltd.	328.23	278.01
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	117.39	301.54
	<b>Total</b>	<b>557.93</b>	<b>840.36</b>
2	<b>Sale of goods</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	6,918.25	1,438.18
	Isgec Covema Limited	-	0.48
	Isgec Hitachi Zosen Limited	3.42	375.96
	Isgec Titan Metal Fabricators Pvt. Ltd.	110.19	80.89
	Eagle Press & Equipment Co. Limited	552.94	179.66
	Cavite Biofuels Producers Inc.	220.49	53.55
	<b>Total</b>	<b>7,805.29</b>	<b>2,128.72</b>
3	<b>Purchase of fixed Assets</b>		
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	-	4.10
	<b>Total</b>	<b>-</b>	<b>4.10</b>
4	<b>Sale of fixed assets</b>		
	<b>-Subsidiary</b>		
	Isgec Hitachi Zosen Limited	0.02	-
	<b>Total</b>	<b>0.02</b>	<b>-</b>
5	<b>Rendering of services</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	162.14	161.52
	Isgec Covema Limited	-	60.00
	Isgec Hitachi Zosen Limited	344.71	662.18
	Isgec SFW Boilers Pvt. Ltd.	74.00	74.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	126.16	237.86
	Isgec Redecam Enviro Solutions Pvt. Ltd.	110.38	109.74
	Isgec Investments PTE Ltd	-	175.52
	Eagle Press & Equipment Co. Limited	4.93	110.75
	Cavite Biofuels Producers Inc.	17.29	-
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	2.66	2.56
	<b>Total</b>	<b>842.27</b>	<b>1,594.13</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2023-24	2022-23
6	<b>Services received</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	106.88	152.03
	Isgec Hitachi Zosen Limited	421.47	182.63
	Isgec SFW Boilers Pvt. Ltd.	28.29	13.82
	Isgec Titan Metal Fabricators Pvt. Ltd.	188.26	1.47
	Eagle Press & Equipment Co. Limited	35.34	-
	<b>Total</b>	<b>780.24</b>	<b>349.95</b>
7	<b>Rent received</b>		
	<b>-Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	1,815.00	1,840.15
	Isgec Titan Metal Fabricators Pvt. Ltd.	155.00	155.00
	Isgec Covema Limited	0.36	0.36
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	3.00	3.00
	<b>-Key Management Personnel</b>		
	Mr. Aditya Puri	30.00	30.00
	<b>Total</b>	<b>2,003.36</b>	<b>2,028.51</b>
8	<b>Rent paid</b>		
	<b>-Subsidiaries</b>		
	Isgec Engineering & Projects Limited	8.64	8.64
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Blue Water Enterprises	76.99	76.98
	<b>-Relative of Key Management Personnel</b>		
	Mrs. Nina Puri	33.00	33.00
	<b>Total</b>	<b>118.63</b>	<b>118.62</b>
9	<b>Interest income</b>		
	<b>-Subsidiaries</b>		
	Isgec Investments PTE Ltd	521.43	403.66
	Eagle Press & Equipment Co. Limited	346.80	246.42
	<b>Total</b>	<b>868.23</b>	<b>650.08</b>
10	<b>Reimbursement received for resources utilisation</b>		
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	-	0.50
	<b>-Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	13.50	12.60
	Isgec Titan Metal Fabricators Pvt. Ltd.	371.00	338.88
	Cavite Biofuels Producers Inc.	214.99	-
	Eagle Press & Equipment Co. Limited	37.74	-
	<b>Total</b>	<b>637.23</b>	<b>351.98</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2023-24	2022-23
11	<b>Dividend received</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	2,129.97	1,419.98
	Isgec Hitachi Zosen Limited	102.00	51.00
	Isgec SFW Boilers Pvt. Ltd.	102.00	71.40
	Isgec Titan Metal Fabricators Pvt. Ltd.	102.00	127.50
	<b>Total</b>	<b>2,435.97</b>	<b>1,669.88</b>
12	<b>Dividend paid</b>		
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	992.54	661.70
	N. A. Cold Storages Private Limited	45.01	30.01
	<b>-Key Management Personnel</b>		
	Mr. Ranjit Puri	197.76	131.84
	Mr. Aditya Puri	137.04	91.36
	Mrs. Nina Puri	4.78	3.18
	Mr. Sudershan Kumar Khorana	-	0.37
	Mr. Kishore Chatnani	0.02	0.01
	<b>Total</b>	<b>1,377.15</b>	<b>918.47</b>
13	<b>Provision for Expected credit losses</b>		
	<b>-Subsidiaries</b>		
	Cavite Biofuels Producers Inc.	330.57	831.77
	Isgec Investments PTE Ltd	231.75	76.62
	Eagle Press & Equipment Co. Limited	2.52	274.35
	<b>Total</b>	<b>564.84</b>	<b>1,182.74</b>
14	<b>Provision for Impairment on investments</b>		
	<b>-Subsidiaries</b>		
	Eagle Press & Equipment Co. Limited	706.00	594.80
	Isgec Investments PTE Ltd	-	5.20
	<b>Total</b>	<b>706.00</b>	<b>600.00</b>
15	<b>Loans given</b>		
	<b>-Subsidiaries</b>		
	Isgec Investments PTE Ltd	4,137.23	992.56
	Eagle Press & Equipment Co. Limited	1,633.45	465.66
	<b>Total</b>	<b>5,770.68</b>	<b>1,458.22</b>
16	<b>Guarantees given</b>		
	<b>-Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	-	2,722.50
	Isgec Titan Metal Fabricators Pvt. Ltd.	-	2,000.00
	Cavite Biofuels Producers Inc.	9,174.55	-
	<b>Total</b>	<b>9,174.55</b>	<b>4,722.50</b>
<b>S.no</b>	<b>Nature of Transaction/Relationship</b>	<b>2023-24</b>	<b>2022-23</b>
17	<b>SBLC given on behalf of subsidiaries</b>		
	<b>-Subsidiaries</b>		
	Cavite Biofuels Producers Inc.	9,591.58	9,354.68
	<b>Total</b>	<b>9,591.58</b>	<b>9,354.68</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2023-24	2022-23
18	<b>Key management personnel compensation ^</b>		
	Mr. Aditya Puri	840.91	679.07
	Mr. Sudershan Kumar Khorana	-	31.80
	Mr. Kishore Chatnani	183.83	143.64
	Mr. Sanjay Gulati	109.55	101.57
	Ms. Shweta Agarwal	-	17.83
	Mr. Sachin Saluja	36.36	13.82
	<b>Total</b>	<b>1,170.65</b>	<b>987.73</b>

^ 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.

19	<b>Key management personnel remuneration / sitting fees</b>		
	Mr. Ranjit Puri	5.55	4.55
	Mr. Sidharth Prasad	5.05	4.95
	Mr. Vishal Kirti Keshav Marwaha	5.95	2.65
	Mrs. Rashi Sikka	4.35	3.31
	Mr. Arvind Sagar	5.95	4.75
	<b>Total</b>	<b>26.85</b>	<b>20.21</b>
20	<b>Contribution to trust for post employment benefit</b>		
	<b>Name of trust</b>	<b>2023-24</b>	<b>2022-23</b>
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,345.93	1,239.24
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	623.96	572.13
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	63.71	48.02
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	-	15.09
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	-	-
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	33.81	37.90

## C. Amount due to / from related parties

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2024	As at March 31, 2023
1	<b>Amount payable as at year end</b>		
	<b>-Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	17.80	5.53
	Isgec Titan Metal Fabricators Pvt. Ltd.	-	5.59
	Isgec Redecam Enviro Solutions Pvt. Ltd.	224.75	87.65
	Saraswati Sugar Mills Limited	157.67	971.33
	Isgec SFW Boilers Pvt. Ltd.	21.65	11.64
	Eagle Press & Equipment Co. Limited	44.57	-
	Isgec Investments PTE Ltd	-	-
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	9.79	1.28

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2024	As at March 31, 2023
	<b>-Key management personnel</b>		
	Mr. Aditya Puri (Managing Director)	692.30	530.63
	Mr. Sanjay Gulati (Wholetime Director)	4.12	6.69
	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. Rashi Sikka	0.23	0.19
	Mr. Arvind Sagar	0.23	0.23
	<b>-Relative of Key Management Personnel</b>		
	Mrs. Nina Puri	-	1.80
	<b>Total</b>	<b>1,173.80</b>	<b>1,623.25</b>
2	<b>Amount receivable as at year end</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	552.82	1,143.94
	Isgec Hitachi Zosen Limited	4,238.66	1,761.90
	Isgec SFW Boilers Pvt. Ltd.	20.34	20.34
	Isgec Titan Metal Fabricators Pvt. Ltd.	313.59	277.92
	Isgec Redecam Enviro Solutions Pvt. Ltd.	84.88	76.53
	Eagle Press & Equipment Co. Limited	3,370.47	674.28
	Isgec Investments PTE Ltd	1,537.84	826.52
	Isgec Covema Limited	-	0.11
	Cavite Biofuels Producers Inc.	32,423.86	31,656.90
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Blue Water Enterprises	19.25	17.12
	Yamuna Syndicate Ltd.	2.07	-
	<b>Total</b>	<b>42,563.78</b>	<b>36,455.56</b>
3	<b>Provision for expected credit losses outstanding</b>		
	<b>-Subsidiaries</b>		
	Cavite Biofuels Producers Inc.	5,272.31	4,941.74
	Isgec Investments PTE Ltd	549.95	318.20
	Eagle Press & Equipment Co. Limited	444.37	441.85
	<b>Total</b>	<b>6,266.63</b>	<b>5,701.79</b>
4	<b>Investment as at year end</b>		
	<b>-Subsidiaries</b>		
	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
	<b>Total</b>	<b>16,929.69</b>	<b>16,929.69</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at	
		March 31, 2024	March 31, 2023
5	<b>Provision for impairment outstanding</b>		
	<b>-Subsidiaries</b>		
	Eagle Press & Equipment Co. Limited	1,300.80	594.80
	Isgec Investments PTE Ltd	5.20	5.20
	<b>Total</b>	<b>1,306.00</b>	<b>600.00</b>

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

(₹ in lakhs)

S.no	Name of the Company	Balance as at	
		March 31, 2024	March 31, 2023
	<b>Guarantees given on behalf of subsidiaries:</b>		
1	Isgec Hitachi Zosen Limited	54,705.00	54,910.00
2	Isgec Titan Metal Fabricators Private Limited	7,950.00	7,950.00
3	Isgec Redecam Enviro Solutions Private Limited	2,000.00	2,000.00
4	Cavite Biofuels Producers Inc.	9,174.55	-
	<b>SBLC given on behalf of subsidiaries:</b>		
5	Eagle Press & Equipment Co. Limited	4,932.03	5,985.56
6	Cavite Biofuels Producers Inc.	19,183.15	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:

S.no	Name of the Company	Balance as at	
		March 31, 2024	March 31, 2023
	<b>Loans given to subsidiaries:</b>		
1	Isgec Investments PTE Ltd	10,376.42	6,239.19
2	Eagle Press & Equipment Co. Limited	5,728.51	4,095.06
3	Saraswati Sugar Mills Limited	-	-

### 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.

## Note 50 : Fair Value Measurement (Ind AS 113)

### Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
<b>Financial Asset</b>						
Investments						
-Other investments	-	1,144.99	-	-	1,660.48	-
Trade receivables - current	310,686.35	-	-	278,817.91	-	-
Trade receivables - non current	6,900.71	-	-	6,957.25	-	-
Loans	18,754.97	-	-	12,083.32	-	-
Cash and cash equivalents	6,298.55	-	-	12,214.64	-	-
Bank balances	1,793.56	-	-	1,406.90	-	-
Foreign currency forward contracts	-	86.91	-	-	130.09	-
Others financial assets	4,611.44	-	-	3,650.31	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
<b>Total Financial Assets</b>	<b>349,045.58</b>	<b>1,231.90</b>	<b>-</b>	<b>315,130.33</b>	<b>1,790.57</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	2,923.19	-	-	44,677.42	-	-
Trade payables	126,766.26	-	-	133,132.21	-	-
Forward contracts	-	86.91	-	-	130.09	-
Lease liability	1,535.00	-	-	1,648.13	-	-
Other financial liabilities	7,812.61	-	-	5,911.22	-	-
<b>Total Financial Liabilities</b>	<b>139,037.06</b>	<b>86.91</b>	<b>-</b>	<b>185,368.98</b>	<b>130.09</b>	<b>-</b>

\* FVTPL - Fair value through profit or loss

# FVTOCI - Fair value through other comprehensive income

**i. Fair value hierarchy**

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

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

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

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

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

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

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2024	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial assets and liabilities at fair value through profit or loss</b>				
<b>Financial assets</b>				
<b>Investments</b>				
-Other investments	1,660.48	-	1,660.48	-
<b>Foreign currency forward contracts</b>	130.09	-	130.09	-
<b>Total</b>	<b>1,790.57</b>	<b>-</b>	<b>1,790.57</b>	<b>-</b>
<b>Financial liabilities</b>				
Forward contracts	130.09	-	130.09	-
<b>Total</b>	<b>130.09</b>	<b>-</b>	<b>130.09</b>	<b>-</b>
<b>(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2023</b>				
<b>Financial Assets</b>				
Loan to employees	1,047.76	-	-	1,047.76
Loan to subsidiary company	10,334.25	-	-	10,334.25
Security deposit	2,465.31	-	-	2,465.31
<b>Total</b>	<b>13,847.32</b>	<b>-</b>	<b>-</b>	<b>13,847.32</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2024	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Liabilities</b>				
Borrowings	44,677.42	-	-	44,677.42
Lease liability	1,648.13	-	-	1,648.13
Other financial liabilities	5,911.22	-	-	5,911.22
<b>Total</b>	<b>52,236.77</b>	<b>-</b>	<b>-</b>	<b>52,236.77</b>

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2024	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial assets at fair value through profit or loss</b>				
<b>Financial assets</b>				
<b>Investments</b>				
-Other investments	1,144.99	-	1,144.99	-
<b>Foreign currency forward contracts</b>	86.91	-	86.91	-
<b>Total</b>	<b>1,231.90</b>	<b>-</b>	<b>1,231.90</b>	<b>-</b>
<b>Financial liabilities</b>				
Forward contracts	86.91	-	86.91	-
<b>Total</b>	<b>86.91</b>	<b>-</b>	<b>86.91</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2024</b>				
<b>Financial Assets</b>				
Loan to employees	1,462.60	-	-	1,462.60
Loan to subsidiary company	16,104.93	-	-	16,104.93
Security deposit	3,536.87	-	-	3,536.87
<b>Total</b>	<b>21,104.40</b>	<b>-</b>	<b>-</b>	<b>21,104.40</b>
<b>Financial Liabilities</b>				
Borrowings	2,923.19	-	-	2,923.19
Lease liability	1,535.00	-	-	1,535.00
Other financial liabilities	7,812.61	-	-	7,812.61
<b>Total</b>	<b>12,270.80</b>	<b>-</b>	<b>-</b>	<b>12,270.80</b>

### 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 THE STANDALONE 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.**

### 1. 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, 2024 and March 31, 2023.

#### 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:

Particulars	As at	
	March 31, 2024	March 31, 2023
Variable rate borrowings	2,923.19	44,677.42
Fixed rate borrowings	-	-
<b>Total</b>	<b>2,923.19</b>	<b>44,677.42</b>

(₹ in lakhs)

Interest on discounting of bills by suppliers, current year ₹1,864.14 Lakhs (Previous year ₹1,356.42 Lakhs) is not chargeable to the company.

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

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Variable rate borrowings	8.85	2,923.19	100.00	7.68	44,677.42	100.00
<b>Net exposure to cash flow interest rate risk</b>		<b>2,923.19</b>			<b>44,677.42</b>	

(₹ in lakhs)

#### iii. Sensitivity

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

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
INR	+50	+50	14.62	223.39
	-50	-50	(14.62)	(223.39)

## NOTES TO THE STANDALONE 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			
	USD	Euro	Others	Total
<b>Foreign currency exposure as at March 31, 2024</b>				
Trade receivables	43,724.03	2,783.83	154.65	46,662.51
Other receivables *	17,011.84	-	-	17,011.84
Loans and other advances	-	-	18,139.84	18,139.84
Bank balances in current accounts and term deposits accounts	-	-	10.30	10.30
Trade payables	2,983.08	731.13	669.43	4,383.64
Hedged Portion	24,562.04	3,498.94	813.68	28,874.66
Net Exposure to foreign currency risk	39,156.91	16.02	18,160.54	57,333.47
SBLC Provided by HSBC India to HSBC Canada to secure Term Loan & working capital facilities to its subsidiary company Eagle Press & Equipment Co. Ltd , Canada	-	-	4,932.03	4,932.03
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	-	-	10,008.60	10,008.60
Corporate Guarantee given to HSBC Philippines to provide Working Capital Facility to Cavite Biofuels Producers Inc	-	-	9,174.55	9,174.55
<b>Foreign currency exposure as at March 31, 2023</b>				
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 subsidiary 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

\* 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 THE STANDALONE FINANCIAL STATEMENTS

### Foreign currency sensitivity

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

Particulars	2023-24		2022-23	
	1% increase	1% decrease	1% increase	1% decrease
USD	391.57	(391.57)	330.42	(330.42)
Euro	0.16	(0.16)	1.19	(1.19)
Others	181.61	(181.61)	116.19	(116.19)

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.

## 2. Credit risk

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

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

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

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

### Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
<b>As at March 31, 2022</b>					
Gross Carrying Amount	185,289.37	28,940.42	3,645.40	33,542.04	251,417.23
Expected Credit Loss	-	137.34	48.52	4,646.76	4,832.62
<b>Carrying Amount (net of impairment)</b>	<b>1,85,289.37</b>	<b>28,803.08</b>	<b>3,596.88</b>	<b>28,895.28</b>	<b>2,46,584.61</b>
<b>As at March 31, 2023</b>					
Gross Carrying Amount	199,508.83	51,073.11	4,937.39	35,686.97	291,206.30
Expected Credit Loss	39.46	284.31	72.12	5,035.26	5,431.14
<b>Carrying Amount (net of impairment)</b>	<b>1,99,469.37</b>	<b>50,788.80</b>	<b>4,865.27</b>	<b>30,651.71</b>	<b>2,85,775.16</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
<b>As at March 31, 2024</b>					
Gross Carrying Amount	156,552.48	115,430.19	10,826.09	40,645.23	323,453.99
Expected Credit Loss	20.36	249.28	529.15	5,068.15	5,866.93
<b>Carrying Amount (net of impairment)</b>	<b>156,532.12</b>	<b>115,180.91</b>	<b>10,296.94</b>	<b>35,577.08</b>	<b>317,587.06</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its financial and non-financial assets. The provision matrix is based on its historically observed default data over the expected life of the financial and non-financial assets 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 analyzed by an independent registered valuer and are provided for.

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
<b>As at March 31, 2022</b>	<b>4,832.62</b>	<b>409.08</b>	-	-	-	<b>5,241.70</b>
Provided during the year	598.52	117.97	335.00	43.05	710.09	1,804.63
Amounts written off	-	-	-	-	-	-
Reversal of provisions	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>5,431.14</b>	<b>527.05</b>	<b>335.00</b>	<b>43.05</b>	<b>710.09</b>	<b>7,046.33</b>
Provided during the year	435.78	326.51	-	21.18	122.92	906.39
Amounts written off	-	-	-	-	-	-
Reversal of provisions	-	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>5,866.92</b>	<b>853.56</b>	<b>335.00</b>	<b>64.23</b>	<b>833.01</b>	<b>7,952.72</b>

\* refer note 7, 19 and 24

### 3. Liquidity Risk

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

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

(₹ in lakhs)

As at March 31, 2024	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	2,923.19	338.33	1,864.14	720.72	2,923.19
Trade payables	126,766.26	-	126,766.26	-	126,766.26
Lease liability	1,535.00	-	451.05	1,083.95	1,535.00
Other liabilities	7,899.52	-	7,765.36	134.16	7,899.52
<b>Total</b>	<b>139,123.97</b>	<b>338.33</b>	<b>136,846.81</b>	<b>1,938.83</b>	<b>139,123.97</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ 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	133,132.21	-	133,132.21	-	133,132.21
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
<b>Total</b>	<b>1,85,499.07</b>	<b>29,321.07</b>	<b>154,884.60</b>	<b>1,293.40</b>	<b>185,499.07</b>

**Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft and other facilities	59,661.67	26,678.93

**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, 2024	As at March 31, 2023
Debt	2,923.19	44,677.42
Less: Cash & cash equivalent	6,298.55	12,214.64
Less: investments in liquid mutual funds	-	-
Net Debt	(3,375.36)	32,462.78
Total Equity	215,460.41	194,570.91
Total Equity and Net Debt	212,085.05	227,033.69
<b>Net debt to equity plus debt ratio (Gearing Ratio)</b>	<b>-1.6%</b>	<b>14.3%</b>

**Notes:**

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in note 22 and 27.
- Total equity (as shown in balance sheet) includes issued capital and other equity.

**B. Loan Covenants**

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### C. Dividends

(₹ in lakhs)

Particulars	Recognized in the year ending	
	March 31, 2024	March 31, 2023
<b>(i) Dividends Recognized</b>		
Dividend for the year ended March 31, 2023 ₹ 3/- per equity share of ₹ 1/- each (for the year ended March 31, 2022 ₹ 2/ per equity share of ₹ 1/- each)	2,205.89	1,470.59
Interim dividend during the year ended March 31, 2024 ₹ NIL/- per equity share of ₹ 1/- each (during the year ended March 31, 2023 ₹ NIL/- per equity share of ₹ 1/- each)	-	-
<b>(ii) Dividend proposed but not recognised in the books of account *</b>		
The Board of Directors have recommended the payment of a final dividend of ₹ 4/- per equity share of ₹ 1/- each (March 31, 2023 ₹ 3/- per equity share of ₹ 1/- each)	2,941.18	2,205.89

\* 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, 2024	As at March 31, 2023
<b>1</b>	<b>Guarantees Given to Banks for Subsidiary and Joint Venture Companies:</b>			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	54,705.00	54,910.00
	Isgec Titan Metal Fabricators Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	7,950.00	7,950.00
	Isgec Redecam Enviro Solutions Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
	<b>Total</b>		<b>64,655.00</b>	<b>64,860.00</b>
<b>2</b>	<b>Guarantees Given to Wholly Owned Subsidiary Companies:</b>			
	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	4,932.03	5,985.56



## NOTES TO THE STANDALONE 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, 2024	As at March 31, 2023	
	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	19,183.15	9,354.68	
	Cavite Biofuels Producers Inc Philippines	Corporate Guarantee given to HSBC Philippines to provide Working Capital Facility to Cavite Biofuels Producers Inc	9,174.55	-	
	<b>Total</b>		<b>33,289.73</b>	<b>15,340.24</b>	
<b>3</b>	<b>Loans to Subsidiaries :</b>	<b>Purpose of loan</b>			
	Isgec Investments PTE Ltd. Singapore	To meet expenses of Subsidiary Company	10,376.42	6,239.19	
	Eagle Press & Equipment Co. Ltd. Canada	For Capital Expenditure and Working Capital Facility	5,728.51	4,095.06	
	<b>Total</b>		<b>16,104.93</b>	<b>10,334.25</b>	
<b>4</b>	<b>Investment</b>	<b>Face Value (₹ per Share / Unit)</b>	<b>No. of Shares/Units</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	<b>Equity Shares of Subsidiary Companies (At cost) :</b>				
	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	5100000	5,100.00	5,100.00
	Isgec SFW Boilers Pvt. Limited	10	1020000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	1020000	102.00	102.00
	<b>Total :</b>			<b>16,929.69</b>	<b>16,929.69</b>
	<b>Grand Total :</b>			<b>130,979.35</b>	<b>107,464.18</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 54 : Ratio Analysis

	Ratios	Numerator	Denominator	FY 2023-2024	FY 2022-2023	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	1.40	1.41	-0.71	
2	Debt-Equity Ratio	Total debt = Long term borrowings + Short term borrowings	Shareholder's equity	0.01	0.23	-95.65	Due to decrease in borrowings and higher profit during the current year.
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	2.30	1.95	17.95	
4	Return on Equity Ratio	Net profit after tax*	Average shareholder's equity	11.30%	9.54%	18.47	
5	Inventory Turnover Ratio	Sale of product	Average inventory	6.08	6.87	-11.59	
6	Trade Receivables Turnover Ratio	Revenue from operation	Average trade receivables	1.77	1.78	-0.43	
7	Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	2.90	2.88	0.82	
8	Net Capital Turnover Ratio	Revenue from operation	Average working capital	3.59	3.76	-4.60	
9	Net Profit Ratio	Net profit after tax*	Revenue from operation	4.77%	3.82%	24.62	
10	Return on Capital Employed	Profit before interest and tax	Total equity + long term borrowings + Deferred tax liability	15.94%	13.95%	14.27	
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	11.43%	7.71%	48.33	Higher return due to more investments during the current year.

\* Profit after tax before other comprehensive income

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Note 55 :Other Statutory Information

The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.

- i. The Company does not have any transactions with companies struck off.
- ii. The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.
- iii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv. 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.
- v. 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.
- vi. 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).
- vii. There is no Immovable Properties Title deeds of those are not held in the name of the Company.
- viii. The company has no investment property and accordingly its fair valuation is not required at year end.
- ix. No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
- x. 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.
- xi. The company has not defaulted on loan from any bank or financial Institution or other lender
- xii. Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable
- xiii. The company has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the company, and quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts without any material discrepancies.
- xiv. The company is not declared wilful defaulter by any bank or financial institution or other lender.
- xv. 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.
- xvi. The company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

#### 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, 2024)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	1,558.96	1,745.73	-	-	3,304.69
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>3,304.69</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(₹ 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	-	-	-	-	-
<b>Total</b>					<b>410.24</b>

Capital work-in-progress as on March 31, 2024 includes interest on Term Loan capitalised (ROI 8.60%) - ₹5.14 Lakhs (as at March 31, 2023 - Nil)

No project in capital work-in-progress as on March 31, 2023 and March 31, 2024 has become overdue nor its cost has exceeded compared to its original plan.

### Note 55.2 : Intangible assets under development aging schedule

Particulars	Amount in Intangible assets under development for a period of (as at March 31, 2024)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	64.61	-	-	-	64.61
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>64.61</b>

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	-	-	-	-	-
<b>Total</b>					<b>1,257.22</b>

No project in Intangible assets under development aging schedule as on March 31, 2023 and March 31, 2024 has become overdue nor its cost has exceeded compared to its original plan.

### Note 56 : Revenue expenditure on Research & Development

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries & wages	177.12	224.93
Contribution to provident & other funds	7.29	11.25
Others	74.19	75.56
<b>Total</b>	<b>258.60</b>	<b>311.74</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**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 :-**

(₹ in lakhs)

Sr. No.	Particulars	Description	
a)	<b>Products covered for Cost Audit</b>	Ingots and Manufactured items of Engineering Machinery	
b)	<b>Full Particulars of Cost Auditor</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
		M/s Neeraj Sharma & Co. Cost Accountants 34 First Floor, Durga Tower, RDC Rajnagar, Ghaziabad, Uttar Pradesh - 201 002	M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Rajnagar, Ghaziabad, Uttar Pradesh - 201 002
c)	<b>Filing of Cost Audit Report</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
	i) Due Date of Filing of Cost Audit Report	27.09.2024	27.09.2023
	ii) Actual Date of Filing Cost Audit Report	Not Yet Due	06.09.2023

**Note 58 :** Contribution to political parties during the year 2023-24 is ₹ Nil (previous year: ₹ Nil)

**Note 59 :** Previous year figures have been regrouped/recasted wherever necessary to make them comparable as per requirements of amended Schedule III.

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**

Chief Accounts & Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Aditya Puri**  
Managing Director  
DIN: 00052534

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**



# 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 31st March 2024, 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 material 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 sub 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 31st March 2024, 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 and its associates 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.	<p data-bbox="240 226 853 315"><b>Revenue recognition for Engineering, Procurement and Construction (EPC) contracts</b></p> <p data-bbox="240 331 853 645">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.</p> <p data-bbox="240 660 853 846">The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the Management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects.</p> <p data-bbox="240 862 853 1055">This method involves significant judgments, identification of contractual obligations and the Holding Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts.</p> <p data-bbox="240 1070 853 1128">Refer Note 3.5 to the consolidated Ind AS financial statements.</p>	<p data-bbox="863 226 1477 259"><b>Principal Audit Procedures</b></p> <p data-bbox="863 271 1477 329">In the context of our work, the procedures set up in terms of revenues of EPC contracts consisted of :</p> <ul data-bbox="863 344 1477 1491" style="list-style-type: none"> <li data-bbox="863 344 1477 465">• Considering the appropriateness of the Holding Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115.</li> <li data-bbox="863 481 1477 674">• Performing testing of the design and implementation of controls over revenue recognition with specific focus on controls over determination of progress and corresponding percentage of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations.</li> <li data-bbox="863 689 1477 1227">• Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the Management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and tested the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts.</li> <li data-bbox="863 1243 1477 1400">• Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required.</li> <li data-bbox="863 1415 1477 1491">• Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the consolidated Ind AS financial statements.</li> </ul>

### 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 has adequate internal financial controls in the reference to the consolidated Ind AS financial statements 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 Rs 1,35,228.50 Lakhs as at 31st March 2024, the total revenues of Rs. 17,942.80 Lakhs, total net loss after tax of Rs. 3,455.65 Lakhs, total comprehensive income of Rs. (3,837.31) Lakhs and net cash outflows of Rs. 756.81 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 Rs. 12.37 Lakhs for the year ended 31st March 2024, 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.

### 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 Act read with relevant rules issued thereunder, as amended;
  - e. On the basis of written representations received from the Directors of the Holding Company as on 31st March 2024 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



31st March 2024 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 31st March 2024 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 subsidiary 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. Based on our examination which included test checks and as reported by the respective auditors of subsidiaries incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary companies, have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective accounting software. Further, during the course of our audit, we and respective auditors of the above said subsidiaries did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

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.

Place: Noida  
Dated: 29th May 2024

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg. No: 000235N/ N500089  
ABHINAV KHOSLA  
Partner  
Membership No.: 087010  
ICAI UDIN: 24087010BKBOEF8286



## 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 31st March 2024

#### **Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Isgec Heavy Engineering Limited as of and for the year ended 31st March 2024, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 31st March 2024, 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. Notes to the Consolidated Financial Statement

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

Place: Noida  
Dated: 29th May 2024

Membership No.: 087010  
ICAI UDIN:  
24087010BKBOEF8286

**CONSOLIDATED BALANCE SHEET**

as at March 31, 2024 | CIN: L23423HR1933PLC000097

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Property, plant and equipment	4	85,448.33	84,289.83
(b) Right-of-use assets	4A	4,161.75	4,786.09
(c) Capital work - in - progress		95,877.27	79,221.46
(d) Goodwill	5	1,045.03	1,734.88
(e) Other intangible assets	5	4,835.72	3,776.34
(f) Intangible assets under development		64.61	1,257.22
(g) Biological assets other than bearer plants	4	122.87	154.61
(h) Investments accounted for using equity method	6	1,656.60	1,675.00
(i) Financial assets			
(i) Loans	7	461.84	370.52
(ii) Trade receivables	8	6,900.71	6,957.25
(iii) Other financial assets	9	2,107.78	2,380.16
(j) Deferred tax assets	10	3,216.89	2,263.40
(k) Other non - current assets	11	4,088.20	2,439.69
<b>Total non-current assets</b>		<b>209,987.60</b>	<b>191,306.45</b>
<b>2. Current assets</b>			
(a) Inventories	12	141,033.58	116,384.43
(b) Financial assets			
(i) Investments	13	1,194.70	1,660.49
(ii) Trade receivables	14	292,868.62	281,950.50
(iii) Cash and cash equivalents	15	14,261.60	16,815.27
(iv) Bank balances other than (iii) above	16	4,925.37	4,236.42
(v) Loans	17	1,131.88	854.63
(vi) Other financial assets	18	3,262.56	5,176.66
(c) Current tax assets	19	1,498.81	1,295.75
(d) Other current assets	20	113,352.50	87,791.64
<b>Total current assets</b>		<b>573,529.62</b>	<b>516,165.79</b>
<b>Total assets</b>		<b>783,517.22</b>	<b>707,472.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	21	735.29	735.29
(b) Other equity	22	2,51,520.99	229,696.32
<b>Equity attributable to owners of parent</b>		<b>2,51,520.99</b>	<b>230,431.61</b>
Non controlling interest		9,597.57	8,778.12
<b>Total equity</b>		<b>2,61,853.85</b>	<b>239,209.73</b>
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	40,648.54	43,286.43
(ia) Lease liabilities		2,125.09	2,529.97
(ii) Other financial liabilities	24	6,310.48	6,586.64

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
(b) Provisions	25	5,428.95	7,899.88
(c) Deferred tax liabilities	10	2,801.84	2,179.43
(d) Other non - current liabilities	26	14,958.63	14,885.66
<b>Total non-current liabilities</b>		<b>72,273.53</b>	<b>77,368.01</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	38,075.91	76,754.17
(ia) Lease liabilities		589.47	959.88
(ii) Trade payables	28		
(a) Total outstanding dues of micro enterprises and small enterprises		5,530.11	7,418.41
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		136,744.62	142,288.32
(iii) Other financial liabilities	29	14,063.87	11,319.08
(b) Other current liabilities	30	2,35,933.94	1,40,153.04
(c) Provisions	31	17,615.87	10,874.19
(d) Current tax liabilities	19	836.05	1,127.41
<b>Total current liabilities</b>		<b>4,49,38,984</b>	<b>3,90,894.50</b>
<b>Total liabilities</b>		<b>5,21,663.37</b>	<b>4,68,262.51</b>
<b>Total equity &amp; liabilities</b>		<b>7,83,517.22</b>	<b>7,07,472.24</b>

The accompanying notes from 1 to 56 form an integral part of the financial statements

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2024 | CIN: L23423HR1933PLC000097

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	32	621,933.72	639,903.93
II	Other Income	33	2,589.79	1,267.40
<b>III</b>	<b>Total income (I + II)</b>		<b>624,523.51</b>	<b>641,171.33</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	34	199,797.61	184,053.67
	Purchase of stock-in-trade	35	187,389.21	180,697.18
	Erection and commissioning expenses		61,664.03	62,252.91
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	36	(14,185.49)	28,401.22
	Employee benefits expense	37	50,713.61	46,255.47
	Finance costs	38	6,367.74	7,298.94
	Depreciation and amortization expense	39	10,623.99	10,429.85
	Other expenses	40	86,748.97	92,783.17
	<b>Total expenses</b>		<b>589,119.67</b>	<b>612,172.41</b>
V	<b>Profit / (loss) before share of an associate and tax (III - IV)</b>		35,403.84	28,998.92
VI	Share of profit / (loss) of an associate		12.37	4.11
VII	<b>Profit / (loss) before tax (V + VI)</b>		35,416.21	29,003.03
VIII	Tax expense	41		
	(1) Current tax		10,240.97	8,502.97
	(2) Deferred tax		(294.04)	(59.58)
	(3) Earlier years tax		(17.91)	5.53
	<b>Total tax expense</b>		<b>9,929.02</b>	<b>8,448.92</b>
IX	<b>Profit / (loss) for the year (VII -VIII)</b>		25,487.19	20,554.11
X	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of post employment benefits plans		(140.73)	(80.06)
	b) Equity instruments through other comprehensive income		-	-
	c) Income tax relating to items that will not be reclassified to profit or loss		31.40	23.34
	B (i) Items that will be reclassified to profit or loss			
	a) Reclassified to profit or loss		121.34	-
	b) Exchange difference on translation of foreign operation		(233.85)	213.01
	<b>Total other comprehensive income</b>		<b>(221.84)</b>	<b>156.29</b>
XI	<b>Total comprehensive income (IX + X) (comprising profit and other comprehensive income for the year)</b>		25,265.35	20,710.40
	<b>Profit for the year</b>		25,487.19	20,554.11
	<b>Attributable to:</b>			
	Owners of the parent		24,367.24	19,649.05
	Non-controlling interests		1,119.95	905.06
	<b>Other comprehensive income for the year</b>		(221.84)	156.29
	<b>Attributable to:</b>			
	Owners of the parent		(215.34)	160.24
	Non-controlling interests		(6.50)	(3.95)
	<b>Total comprehensive income of the year</b>		<b>25,265.35</b>	<b>20,710.40</b>

<b>Attributable to:</b>				
	Owners of the parent		24,151.90	19,809.29
	Non-controlling interests		1,113.45	901.11
XII	Earnings per equity share (nominal value of ₹ 1/- each) for profit attributable to owners of the parent	42		
	Basic (in ₹)		33.14	26.72
	Diluted (in ₹)		33.14	26.72

The accompanying notes from 1 to 56 form an integral part of the financial statements

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024 | CIN: L23423HR1933PLC000097

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	35,416.21	29,003.03
<b>Adjustments :</b>		
Depreciation and amortization expenses	10,623.99	10,429.85
(Profit)/Loss on diminution in value of stores and investments	0.22	19.06
(Gain)/Loss on disposal of property, plant and equipment	(0.74)	(0.07)
(Gain)/Loss on sale of financial instruments	(401.91)	(152.00)
Change in fair value of financial instruments (investment)	227.54	100.25
Income from investments - dividends	(0.17)	(0.13)
Provision for expected credit loss	440.90	631.75
Impairment of goodwill	706.00	594.80
Bad debts written off	0.08	0.34
Liabilities no longer required written back	-	(444.61)
Interest income	(621.25)	(528.22)
Amortization of processing fees	191.93	40.84
Finance costs	6,367.74	7,298.94
Unrealised foreign exchange (gain)/loss	(881.31)	(2,713.56)
Adjustment for profit / (loss) from associate	(12.37)	(4.11)
Adjustment due to discounting in warranty provision	303.10	(305.38)
<b>Cash flow before working capital adjustments</b>	<b>52,359.96</b>	<b>43,970.78</b>
<b>Working capital adjustments</b>		
(Increase) / Decrease in trade receivables	(10,685.35)	(52,249.06)
(Increase) / Decrease in other receivables	(25,756.76)	4,077.87
(Increase)/Decrease in inventories	(24,649.37)	23,941.39
Increase / (Decrease) in trade and other payables	89,143.92	9,202.51
Increase / (Decrease) in payables and provisions	3,826.92	(1,062.89)
<b>Cash flow after working capital requirements</b>	<b>84,239.32</b>	<b>27,880.60</b>
Income Tax paid (net of refund)	(10,723.12)	(7,116.01)
<b>Net cash from / (used in) operating activities</b>	<b>73,516.20</b>	<b>20,764.59</b>
<b>B. Cash flow from Investing activities</b>		
Proceeds from sale of property, plant and equipment	322.77	151.63
Purchase of property, plant and equipment including capital work-in-progress	(23,928.83)	(14,153.86)
Purchase of intangible assets including intangible assets under development	(580.96)	(1,625.85)
Purchase of mutual funds	(91,126.25)	(44,774.46)
Proceeds from sale of mutual funds	91,766.38	55,037.28
Proceeds from sale of financial instruments	272.38	(181.86)
(Increase)/decrease in other bank balances	(688.95)	(718.55)
Interest income received	714.17	501.58
Dividend received	0.17	0.13
Income received from investment in associates	12.37	(80.24)
<b>Net cash flow from / (used in) investing activities</b>	<b>(23,236.75)</b>	<b>(5,844.20)</b>
<b>C. Cash flow from Financing activities</b>		
Dividend paid on equity shares	(2,520.17)	(1,735.82)
Payments for lease liability	(775.29)	(696.62)
Finance/interest cost - long term/short term	(7,795.71)	(5,509.03)

Proceeds from long term borrowings	12,218.01	8,436.58
Repayment of long term borrowings	(14,694.18)	(14,677.98)
Proceeds / (repayment) from short term borrowings (net)	(35,115.25)	4,406.50
<b>Net cash flow from / (used in) financing activities</b>	<b>(48,682.59)</b>	<b>(9,776.37)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,596.86</b>	<b>5,144.02</b>
Cash and cash equivalents at the beginning of the year	16,815.27	10,128.00
Effect of Foreign currency translation	(4,150.53)	1,543.25
Cash and cash equivalents at the end of the year	14,261.60	16,815.27
<b>Components of cash and cash equivalents</b>		
Balances with banks - In current accounts (refer note 15)	5,753.45	16,636.35
Balances with banks - In fixed deposits accounts with original maturity of less than three months (refer note 15)	8,440.00	74.07
Cheques and drafts on hand (refer note 15)	50.90	83.84
Cash on hand (refer note 15)	17.25	21.01
<b>Cash and cash equivalents</b>	<b>14,261.60</b>	<b>16,815.27</b>

**Notes:**

1. Reconciliation of liabilities arising from financing activities:

Particulars	Total borrowing	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	120,040.60	120,504.45
Non-cash changes due to		
- Charge of amortization of processing fees	191.93	40.84
- Effect of Foreign currency translation	(3,916.66)	1,330.21
Cash flows during the year		
- Proceeds from long term borrowings (refer note 23)	12,218.01	8,436.58
- Repayment of long term borrowings (refer note 23)	(14,694.18)	(14,677.98)
- Net Proceeds / (repayment) from short term borrowings, other than current maturities of long term debt (refer note 27)	(35,115.25)	4,406.50
<b>Closing balance</b>	<b>78,724.45</b>	<b>120,040.60</b>

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 **SCV & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 000235N / N500089

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

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

Place : Noida  
Date : May 29, 2024

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

# STATEMENT OF CHANGES IN EQUITY IN THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024 | CIN: L23423HR1933PLC000097

## A. Equity share capital

(₹ in lakhs)

Particulars	Amount
As at April 1, 2022	735.29
Changes during the year	-
As at March 31, 2023	735.29
Changes during the year	-
<b>As at March 31, 2024</b>	<b>735.29</b>

## B. Other equity

Particulars	Attributable to owners of the parent										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, 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)
<b>Balance as at March 31, 2023</b>	<b>14,445.71</b>	<b>450.22</b>	<b>3.24</b>	<b>18,816.93</b>	<b>194,884.75</b>	<b>109.12</b>	<b>12.22</b>	<b>974.13</b>	<b>229,696.32</b>	<b>8,778.12</b>	<b>238,474.44</b>
Profit for the year	-	-	-	-	24,354.87	-	-	-	24,354.87	1,119.95	25,474.82
Share of profit/(loss) of an associate	-	-	-	-	12.37	-	-	-	12.37	-	12.37
Other comprehensive income for the year	-	-	-	-	18.50	-	-	(233.84)	(215.34)	(6.50)	(221.84)
Total comprehensive income for the year	-	-	-	-	24,385.74	-	-	(233.84)	24,151.90	1,113.45	25,265.35
Movement during the year						(109.12)	(12.22)	-	(121.34)	-	(121.34)
Dividend paid	-	-	-	-	(2,205.89)	-	-	-	(2,205.89)	(294.00)	(2,499.89)
<b>Balance as at March 31, 2024</b>	<b>14,445.71</b>	<b>450.22</b>	<b>3.24</b>	<b>18,816.93</b>	<b>217,064.60</b>	<b>-</b>	<b>-</b>	<b>740.29</b>	<b>251,520.99</b>	<b>9,597.57</b>	<b>261,118.56</b>

As per our report of even date  
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Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204

Place : Noida  
Date : May 29, 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### 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 2024. Control is achieved when the Company is exposed, or has right to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

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

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

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

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

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

#### Consolidation Procedure:

- 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.
- 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.
- 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 Material 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 29 May 2024.

### 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 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:

#### 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 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.

#### 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.

**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.

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 Group uses cost based measure of progress (or input method) for contracts because it best depicts

the transfer of control to the customer which occurs as it incurs costs on contracts.

Contract Costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract. Generally, the Group is entering into fixed price contracts with its customers. However, in very few contracts, additional revenue is claimable or revenue is reduced, based on variations in prices of few of key raw material prices such as steel, cement etc. Additional claims are raised on customers for such variations in prices of such materials, on pre-fixed terms and conditions specified in these contracts with customers.

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

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

#### c. Other operational revenue

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. Foreign exchange fluctuation is treated as other operating income as the same mainly comprises of fluctuation on trade receivables and trade payables.

#### d. Rental Income

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

#### e. Other Income

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

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

### 3.6. Inventories

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

**Finished goods and work in progress** are valued at lower of cost and net 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.

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 Rs. 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

### 3.10. Impairment of Non-Financial Assets

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.

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.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method,

with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

When the benefits of a plan are changed or curtailed, the resulting change in the benefit that relates to the past service ('past service cost') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

The Group recognises the gains and losses on the settlement of a defined benefit plan when settlement occurs

## ii. Gratuity

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

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

## iii. Leave Encashment

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

treats the accumulated leave, which is expected to be utilised or paid in next twelve months, as short term employee benefits. The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

## iv. Retirement Benefits

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

## v. Pension

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

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

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

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

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

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

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

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

### As a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.13. Taxes

#### Current income tax

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

#### Deferred Tax

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

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

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

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

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

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

### 3.14. Borrowing Cost

As per Ind AS 23 Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset 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

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.

Contingent liabilities 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).

### 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 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:

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

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.

## 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'.

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

The Group also avails incentive in the form of nil import duty on import of specified capital goods under Government's EPCG scheme. The Group anticipates no challenge in complying with the conditions attached to the said scheme in normal course of business and thus capitalized goods without considering value of customs duty saved.

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.

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

### 3.24. Research and Development Expenses

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

### 3.25. 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

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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

## Note 4 : Property, plant &amp; equipment

(₹ in lakhs)

Particulars	Land (Free Hold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Bearer plants	Total	Biological assets other than bearer plants
<b>Gross carrying value</b>									
<b>As at April 1, 2022</b>	<b>13,658.23</b>	<b>27,584.66</b>	<b>87,332.33</b>	<b>1,271.91</b>	<b>1,721.70</b>	<b>5,459.37</b>	<b>415.64</b>	<b>137,443.84</b>	<b>85.21</b>
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
<b>As at March 31, 2023</b>	<b>13,693.89</b>	<b>28,545.21</b>	<b>91,289.56</b>	<b>1,483.70</b>	<b>2,159.07</b>	<b>6,018.24</b>	<b>498.74</b>	<b>143,688.39</b>	<b>223.46</b>
Additions	-	430.49	8,502.59	91.29	884.25	837.62	0.23	10,746.47	17.96
Disposals	-	34.75	441.79	1.76	271.96	72.12	-	822.38	-
Adjustments	-	-	-	-	-	-	-	-	-
Translation difference	2.71	16.53	(47.30)	(0.02)	-	1.84	(9.16)	(35.40)	(2.84)
<b>As at March 31, 2024</b>	<b>13,696.60</b>	<b>28,957.48</b>	<b>99,303.06</b>	<b>1,573.21</b>	<b>2,771.36</b>	<b>6,785.58</b>	<b>489.81</b>	<b>153,577.08</b>	<b>238.58</b>
<b>Accumulated depreciation</b>									
<b>As at April 1, 2022</b>	<b>-</b>	<b>9,222.03</b>	<b>35,312.75</b>	<b>980.59</b>	<b>1,128.05</b>	<b>3,870.34</b>	<b>147.43</b>	<b>50,661.19</b>	<b>29.05</b>
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	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>10,853.13</b>	<b>41,532.99</b>	<b>1,048.99</b>	<b>1,277.61</b>	<b>4,472.09</b>	<b>213.74</b>	<b>59,398.56</b>	<b>68.85</b>
Charge for the year	-	1,494.48	6,418.78	71.37	384.05	757.08	11.52	9,137.27	-
Disposals	-	20.84	216.95	1.26	196.32	64.98	-	500.35	-
Adjustments	-	-	-	-	-	-	70.93	70.93	46.86
Translation difference	-	3.77	21.17	(0.01)	-	1.29	(3.88)	22.34	-
<b>As at March 31, 2024</b>	<b>-</b>	<b>12,330.54</b>	<b>47,755.99</b>	<b>1,119.09</b>	<b>1,465.34</b>	<b>5,165.48</b>	<b>292.31</b>	<b>68,128.75</b>	<b>115.71</b>
<b>Net carrying value</b>									
<b>As at March 31, 2023</b>	13,693.89	17,692.08	49,756.57	434.70	881.46	1,546.15	285.00	84,289.83	154.61
<b>As at March 31, 2024</b>	13,696.60	16,626.94	51,547.07	454.12	1,306.02	1,620.10	197.50	85,448.33	122.87

## 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	
<b>Gross carrying value</b>			
<b>As at April 1, 2022</b>	<b>3,010.74</b>	<b>3,917.18</b>	<b>6,927.92</b>
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
<b>As at March 31, 2023</b>	<b>3,023.02</b>	<b>4,690.34</b>	<b>7,713.36</b>
Additions	4.49	661.09	665.58
Deletions	-	1,477.20	1,477.20
Adjustments	(1.31)	-	(1.31)
Translation difference	(1.17)	20.65	19.48
<b>As at March 31, 2024</b>	<b>3,025.03</b>	<b>3,894.88</b>	<b>6,919.91</b>

(₹ in lakhs)

Particulars	Category of Right of use asset		Total
	Land (Leasehold)	Buildings	
<b>Accumulated depreciation</b>			
<b>As at April 1, 2022</b>	<b>553.57</b>	<b>1,934.71</b>	<b>2,488.28</b>
Charge for the year	100.03	684.47	784.50
Deletions	-	417.94	417.94
Translation difference	1.45	70.97	72.42
<b>As at March 31, 2023</b>	<b>655.05</b>	<b>2,272.21</b>	<b>2,927.26</b>
Charge for the year	101.22	687.46	788.68
Deletions	0.92	990.02	990.94
Translation difference	(0.60)	33.76	33.16
<b>As at March 31, 2024</b>	<b>754.75</b>	<b>2,003.41</b>	<b>2,758.16</b>
<b>Net carrying value</b>			
As at March 31, 2023	2,367.97	2,418.12	4,786.09
<b>As at March 31, 2024</b>	<b>2,270.28</b>	<b>1,891.47</b>	<b>4,161.75</b>

## Note 5 : Goodwill and other intangible assets

(₹ in lakhs)

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
<b>Gross carrying value</b>					
<b>As at April 1, 2022</b>	<b>2,914.31</b>	<b>8,544.74</b>	<b>11,459.05</b>	<b>2,324.91</b>	<b>13,783.96</b>
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<b>As at March 31, 2023</b>	<b>3,222.82</b>	<b>8,600.09</b>	<b>11,822.91</b>	<b>1,734.88</b>	<b>13,557.79</b>
Additions	1,740.08	-	1,740.08	-	1,740.08
Disposals	0.64	-	0.64	-	0.64
Impairment	-	-	-	706.00	706.00
Translation difference	-	17.98	17.98	16.15	34.13
<b>As at March 31, 2024</b>	<b>4,962.26</b>	<b>8,618.07</b>	<b>13,580.33</b>	<b>1,045.03</b>	<b>14,625.36</b>
<b>Accumulated depreciation</b>					
<b>As at April 1, 2022</b>	<b>2,520.24</b>	<b>4,832.60</b>	<b>7,352.84</b>	<b>-</b>	<b>7,352.84</b>
Charge for the year	205.32	488.41	693.73	-	693.73
Disposals	-	-	-	-	-
Translation difference	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2,725.56</b>	<b>5,321.01</b>	<b>8,046.57</b>	<b>-</b>	<b>8,046.57</b>
Charge for the year	421.13	276.91	698.04	-	698.04
Disposals	-	-	-	-	-
Translation difference	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>3,146.69</b>	<b>5,597.92</b>	<b>8,744.61</b>	<b>-</b>	<b>8,744.61</b>
<b>Net carrying value</b>					
As at March 31, 2023	497.26	3,279.08	3,776.34	1,734.88	5,511.22
<b>As at March 31, 2024</b>	<b>1,815.57</b>	<b>3,020.15</b>	<b>4,835.72</b>	<b>1,045.03</b>	<b>5,880.75</b>

**Notes:**

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

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Investment in equity instruments of associate company</b>		
Penwood Project Land Corporation (PPLC)	1,656.60	1,675.00
<b>Total investments</b>	<b>1,656.60</b>	<b>1,675.00</b>
<b>Aggregate value of investments:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1,656.60	1,675.00
Aggregate amount of impairment in value of investments	-	-

**Note 7 : Non-current financial assets - Loans**

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Loans receivables considered good - Secured</b>		
- Loans to employees	240.74	184.38
<b>Loans receivables considered good - Unsecured</b>		
- Loans to employees	221.10	186.14
<b>Total</b>	<b>461.84</b>	<b>370.52</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 8 : Non-current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	6,906.46	6,962.25
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Allowance for expected credit losses	(5.75)	(5.00)
<b>Total</b>	<b>6,900.71</b>	<b>6,957.25</b>

## Note 8.1 : Trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2024 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	6,906.46	-	-	-	6,906.46
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	-	-	-	-	-
<b>Total</b>	<b>6,906.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,906.46</b>
vii) Allowance for credit losses					(5.75)
<b>Total</b>					<b>6,900.71</b>

(₹ 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	-	-	-	-	-
<b>Total</b>	<b>6,962.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,962.25</b>
vii) Allowance for credit losses					(5.00)
<b>Total</b>					<b>6,957.25</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>		
-Fixed deposits with banks having maturity of more than twelve months	-	25.41
-Bank Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	838.64	1,157.07
-Interest accrued but not due on deposits	3.45	36.82
-Security deposit *	1,265.69	1,160.86
<b>Total</b>	<b>2,107.78</b>	<b>2,380.16</b>

\*Includes balances with related parties (refer note 46)

## Note 10 : Deferred tax assets / liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets ( refer note 10.1 )	3,216.89	2,263.40
Deferred tax liabilities ( refer note 10.2 )	2,801.84	2,179.43

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Deferred tax assets</b>		
Employee benefits	850.94	872.08
Fair valuation of investments	68.70	26.22
Property, plant & equipment	1,245.19	941.28
Brought forward business losses	(440.48)	(687.78)
Provision for expected credit losses	1,122.33	858.67
Other items	370.21	252.93
<b>Net deferred tax assets/(liabilities)</b>	<b>3,216.89</b>	<b>2,263.40</b>

## 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
<b>As at April 1, 2022</b>	<b>782.26</b>	<b>0.99</b>	<b>972.09</b>	<b>(570.55)</b>	<b>551.16</b>	<b>161.89</b>	<b>1,897.84</b>
(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
<b>As at March 31, 2023</b>	<b>872.08</b>	<b>26.22</b>	<b>941.28</b>	<b>(687.78)</b>	<b>858.67</b>	<b>252.93</b>	<b>2,263.40</b>
(Charged)/credited:-							
-to profit & loss	(50.61)	42.48	309.56	240.45	263.66	117.04	922.58
-to other comprehensive income	29.47	-	-	-	-	-	29.47
-to translation difference	-	-	(5.65)	6.85	-	0.24	1.44
<b>As at March 31, 2024</b>	<b>850.94</b>	<b>68.70</b>	<b>1,245.19</b>	<b>(440.48)</b>	<b>1,122.33</b>	<b>370.21</b>	<b>3,216.89</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2022
<b>(a) Deferred Tax Liabilities</b>		
Defined benefit obligation	67.35	58.33
Property, plant & equipment	(2,662.04)	(2,119.36)
Other items	(207.15)	(118.40)
<b>Net deferred tax assets/(liabilities)</b>	<b>(2,801.84)</b>	<b>(2,179.43)</b>

### Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Defined Benefit Obligation/Employee Benefits	Property, Plant & Equipment	Other items	Total
<b>As at April 1, 2022</b>	<b>122.65</b>	<b>(1,759.65)</b>	<b>(239.05)</b>	<b>(1,876.06)</b>
(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)	(0.33)
<b>As at March 31, 2023</b>	<b>58.33</b>	<b>(2,119.36)</b>	<b>(118.40)</b>	<b>(2,179.43)</b>
(Charged)/credited:-				
-to profit & loss	4.50	(540.09)	(92.95)	(628.54)
-to other comprehensive income	4.52	(2.59)	-	1.93
-to translation difference	-	-	4.20	4.20
<b>As at March 31, 2024</b>	<b>67.35</b>	<b>(2,662.04)</b>	<b>(207.15)</b>	<b>(2,801.84)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 11 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Advances recoverable other than in cash</b>		
<b>Considered good - Unsecured</b>		
Capital advances	884.98	49.57
Balance with statutory / government authorities	1,093.51	895.91
Prepaid expenses	127.80	206.41
Others*	1,981.91	1,287.80
<b>Total</b>	<b>4,088.20</b>	<b>2,439.69</b>

\* includes advances other than capital advances

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Raw materials</b>		
Raw materials	32,142.38	23,559.20
Raw materials in transit	1,512.60	1,514.24
<b>Work - in - progress</b>		
Engineering goods	45,017.62	38,334.59
Ingots and steel castings	2,693.99	3,891.92
Sugar	124.39	56.41
Molasses & ethanol	3,881.28	6,319.79
<b>Finished goods</b>		
Engineering goods	2,831.09	3,486.67
Sugar	34,338.92	24,114.80
Ethanol	1,689.51	187.13
<b>Stock-in-Trade</b>		
Goods in transit	11,203.94	10,552.62
Goods at warehouse	622.80	335.59
Stores & spares	4,828.58	3,905.77
Loose tools & others	100.86	81.46
<b>Others</b>	45.62	44.24
<b>Total</b>	<b>141,033.58</b>	<b>116,384.43</b>

For inventories hypothecated/pledged as security, please refer note 27.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 13 : Current financial assets - Investments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At fair value through profit or loss</b>		
<b>a) Investments in mutual funds</b>		
<b>-Unquoted</b>		
IG Mackenzie- Dividend Fund	49.71	-
	49.71	-
<b>b) Other investments</b>		
<b>-Unquoted</b>		
Annuities in senior Secured Estate Transactions II Fund- Essel Finance	122.16	122.16
ASK Real Estate Special Opportunities Fund	271.18	521.90
ASK Real Estate Special Situations Fund	106.54	142.92
Edelweiss Real Estate Opportunities Fund (EROF)	26.04	56.11
Investcorp Score Fund	47.11	77.38
Indiabulls High Yield Fund	54.55	120.42
Indiabulls Dual Advantage Commercial Asset Fund	441.23	519.45
Nippon India Yield Maximiser Fund Scheme-I	8.93	18.43
Nippon India Yield Maximiser Scheme-III	67.25	81.72
	<b>1,144.99</b>	<b>1,660.49</b>
<b>Total current investments (a + b)</b>	<b>1,194.70</b>	<b>1,660.49</b>
<b>Aggregate value of investments :</b>		
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments (accounted based on respective net asset value)	1,194.70	1,660.49
Aggregate amount of impairment in value of investments	-	-

## Note 14 : Current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured *	295,649.68	284,352.82
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Trade receivable - credit impaired	108.08	93.65
Allowance for expected credit losses	(2,889.14)	(2,495.97)
<b>Total</b>	<b>292,868.62</b>	<b>281,950.50</b>

\*For trade receivables hypothecated/pledged as security, refer note 27.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 14.1 : Trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2024 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	147,984.33	121,323.65	12,300.43	8,208.46	2,436.77	2,742.53	294,996.17
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Dispute Trade receivables - considered good	344.26	-	-	-	-	323.68	667.94
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	93.65	93.65
<b>Total</b>	<b>148,328.59</b>	<b>121,323.65</b>	<b>12,300.43</b>	<b>8,208.46</b>	<b>2,436.77</b>	<b>3,159.86</b>	<b>295,757.76</b>
vii) Allowance for credit losses	-	-	-	-	-	-	(2,889.14)
<b>Total</b>							<b>292,868.62</b>

(₹ 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) 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	-	-	-	-	-	93.65	93.65
<b>Total</b>	<b>206,670.59</b>	<b>58,028.59</b>	<b>4,986.35</b>	<b>6,777.12</b>	<b>4,481.65</b>	<b>3,502.16</b>	<b>284,446.47</b>
vii) Allowance for credit losses	-	-	-	-	-	-	(2,495.97)
<b>Total</b>							<b>281,950.50</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 15 : Current financial assets - Cash &amp; cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- In current and cash credit accounts	5,753.45	16,636.35
- In fixed deposits accounts with original maturity of less than three months	8,440.00	74.07
Cheques and drafts on hand	50.90	83.84
Cash on hand	17.25	21.01
<b>Total</b>	<b>14,261.60</b>	<b>16,815.27</b>

## Note 16 : Current financial assets - Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- In fixed deposits accounts maturing within one year	2,117.42	1,429.10
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	2,749.16	2,728.25
Earmarked - Unclaimed dividend accounts	58.79	79.07
<b>Total</b>	<b>4,925.37</b>	<b>4,236.42</b>

## Note 17 : Current financial assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Loans receivables considered good - Secured</b>		
Loans to employees	62.44	51.30
<b>Loans receivables considered good - Unsecured</b>		
Advances to employees	1,022.89	699.01
Advance to group gratuity trust	46.55	104.32
<b>Total</b>	<b>1,131.88</b>	<b>854.63</b>

## Note 18 : Current financial assets - Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Derivatives</b>		
Foreign exchange forward contract receivables	96.64	130.15
<b>Others</b>		
Interest accrued but not due on bank fixed deposits	236.27	295.82
Government subsidy recoverable	303.18	3,119.31
Interest subvention on term loan recoverable	222.00	173.46
Security deposits *	2,394.22	1,448.62
Interest accrued on security deposits	10.25	9.30
<b>Total</b>	<b>3,262.56</b>	<b>5,176.66</b>

\*includes balances with related parties (refer note 46)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 19 : Current tax assets /liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid income taxes	2,245.20	185.46
Less: provisions for income tax	746.39	(1,110.29)
<b>Net current tax assets</b>	<b>1,498.81</b>	<b>1,295.75</b>
Provisions for income- tax	18,312.39	11,804.21
Less: Prepaid income taxes	17,476.34	10,676.80
<b>Net current tax liabilities</b>	<b>836.05</b>	<b>1,127.41</b>

## Note 20 : Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Advances other than capital advances</b>		
Advance to suppliers	23,929.14	23,378.17
Allowance for expected credit losses	(335.00)	(335.00)
<b>Others</b>		
Prepaid expenses	1,081.83	2,376.64
Balance with government authorities	16,113.94	11,677.97
Group gratuity fund	210.18	226.85
Export incentive receivable	474.05	540.50
Unbilled revenue	69,866.69	49,528.36
Allowance for expected credit losses	(90.02)	(43.05)
Others *	2,101.69	441.20
<b>Total</b>	<b>113,352.50</b>	<b>87,791.64</b>

\* includes miscellaneous recoverable 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	2023-24	2022-23
<b>Movement of allowance for expected credit losses on unbilled revenue and advances to suppliers</b>		
Opening balance at the beginning of the year	378.05	-
Provided during the year		
-Advances to suppliers	-	335.00
-Unbilled Revenue	46.97	43.05
Amounts written off	-	-
Reversal of provisions	-	-
<b>Closing balance at the end of the year</b>	<b>425.02</b>	<b>378.05</b>
<b>-Advances to suppliers</b>	<b>335.00</b>	<b>335.00</b>
<b>-Unbilled Revenue</b>	<b>90.02</b>	<b>43.05</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 21 : Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
<b>Authorised share capital</b>	<b>85,000,000</b>	<b>850.00</b>	<b>85,000,000</b>	<b>850.00</b>
(Equity shares of ₹ 1/- each with voting rights)				
(Previous year Equity shares of ₹ 1/- each with voting rights)				
<b>Issued, subscribed &amp; paid up</b>	<b>73,529,510</b>	<b>735.29</b>	<b>73,529,510</b>	<b>735.29</b>
(Equity shares of ₹ 1/- each with voting rights)				
(Previous year Equity shares of ₹ 1/- each with voting rights)				
<b>Total</b>		<b>735.29</b>		<b>735.29</b>

#### 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, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ 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 during the year	-	-	-	-
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, 2024		As at March 31, 2023	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
(i) Yamuna Syndicate 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%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (d) Shareholding of Promoters:

Promoter name	Shares held by promoters at the end of the year				% change during the year
	As at March 31, 2024		As at March 31, 2023		
	Number of shares	% of total shares	Number of shares	% of total shares	
(i) The Yamuna Syndicate Limited	33,084,798	45.00%	33,084,798	45.00%	No change
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%	
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%	
(iv) N. A. Cold Storages Private Limited	1,500,470	2.04%	1,500,470	2.04%	
(v) Mrs. Nina Puri	159,530	0.22%	159,530	0.22%	

## Note 22 : Other equity

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital reserve</b>		
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>(b) Capital redemption reserve</b>		
Balance outstanding at the beginning of the year	3.24	3.24
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	3.24	3.24
<b>(c) Securities premium</b>		
Balance outstanding at the beginning of the year	450.22	450.22
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	450.22	450.22
<b>(d) General reserve</b>		
Balance outstanding at the beginning of the year	18,816.93	18,816.93
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	18,816.93	18,816.93
<b>(e) Retained earnings</b>		
Balance outstanding at the beginning of the year	194,884.75	176,759.05
Add: Profit for the year	24,354.87	19,644.94
Add: Share of profit/(loss) of an associate	12.37	4.11
Add: Items of other comprehensive income reclassified to profit & loss	121.34	-
Add: Remeasurements of Post Employment Benefits Obligations (refer note 22.1)	(102.84)	(52.76)
Less: Appropriations		
- Dividend paid including dividend distribution tax	2,205.89	1,470.59
Balance outstanding at the end of the year	217,064.60	194,884.75
<b>(f) Other comprehensive income (specify nature)</b>		
i. Equity Instruments through Other Comprehensive Income		
-Balance outstanding at the beginning of the year	109.12	109.12
-Movement during the year	(109.12)	-
-Balance outstanding at the end of the year (refer note 22.2)	-	109.12

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
ii. Effective Portion of Cash Flow Hedges		
-Balance outstanding at the beginning of the year	12.22	12.22
-Movement during the year	(12.22)	-
-Balance outstanding at the end of the year (refer note 22.2)	-	12.22
iii. Foreign currency translation reserve		
-Balance outstanding at the beginning of the year	974.13	761.12
-Other comprehensive income for the year	(233.84)	213.01
-Balance outstanding at the end of the year (refer note 22.2)	740.29	974.13
<b>Total</b>	<b>2,51,520.99</b>	<b>229,696.32</b>

**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.

## Note 23 : Non current financial liabilities - Borrowings

(₹ in lakhs)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>				
Indian rupee term loan from bank (refer note 23.1)	4,493.18	6,530.25	2,790.00	13,039.96
<b>Secured</b>				
Foreign currency loan (refer note 23.2)	36,155.36	36,756.18	8,324.95	1,638.02
<b>Total</b>	<b>40,648.54</b>	<b>43,286.43</b>	<b>11,114.95</b>	<b>14,677.98</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 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
<b>As at March 31, 2024</b>	6,312.46	3,772.46	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, 2023	8,820.25	6,280.25	2,540.00			
<b>As at March 31, 2024</b>	250.00	-	250.00	1 year MCLR + spread of 0.80% p.a.	5 Year (Initial year being moratorium Period). Payable in 16 equal quarterly instalments of ₹ 125 lakhs each in subsequent 4 years.	First charge on plant and machinery exclusively/ specifically procured by utilizing above said loan amount.
As at March 31, 2023	750.00	250.00	500.00			
<b>As at March 31, 2024</b>	720.72	720.72	-	8.60%	6 year door-to-door tenor with 2 years of construction and moratorium. Repayment in 16 equal quarterly instalments, thereafter.	Exclusive charges over Corporate Office being built at Plot No. 4, Sector 142, Noida
As at March 31, 2023	-	-	-			
<b>As at March 31, 2024</b>	-	-	-	7.35%	The loans are repayable in 8 quarterly equal instalment 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, 2023	9,999.96	-	9,999.96			
<b>Total as at March 31, 2024</b>	<b>7,283.18</b>	<b>4,493.18</b>	<b>2,790.00</b>			
<b>Total as at March 31, 2023</b>	<b>19,570.21</b>	<b>6,530.25</b>	<b>13,039.96</b>			

## 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
<b>As at March 31, 2024</b>	827.11	-	827.11	Bank's prime rate plus 0.75% per annum.	Repayments commenced on December 17, 2020 was 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, 2023	2,457.03	819.01	1,638.02			
<b>As at March 31, 2024</b>	43,653.20	36,155.36	7,497.84	Benchmark Rate based on PDST-R2 prevailing on the relevant interest rate setting date and Spread subject to a floor rate of 5.75% p.a with re-pricing every 3 years.	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, 2023	35,937.17	35,937.17	-			
<b>Total as at March 31, 2024</b>	<b>44,480.31</b>	<b>36,155.36</b>	<b>8,324.95</b>			
<b>Total as at March 31, 2023</b>	<b>38,394.20</b>	<b>36,756.18</b>	<b>1,638.02</b>			



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 24 : Non-current financial liabilities- Other financial liabilities

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Interest accrued but not due on borrowings	6,107.29	6,413.76
Security deposit under car loan scheme	151.35	122.27
Security deposit - Others	51.84	50.61
<b>Total</b>	<b>6,310.48</b>	<b>6,586.64</b>

### Note 25 : Long term provisions

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Provision for employee benefits		
-Gratuity	35.81	27.78
-Leave encashment	2,468.77	2,341.03
-Pension provision	653.18	981.36
	3,157.76	3,350.17
Provision for warranty (refer note 25.1 & 25.2)	2,271.19	4,549.71
<b>Total</b>	<b>5,428.95</b>	<b>7,899.88</b>

#### Note 25.1 : Provision for warranty

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

#### Note 25.2 : Movement of provision for warranty

(₹ in lakhs)

Nature of Provisions	Warranties	
	2023-24	2022-23
<b>Movement of provision for performance warranties/after sales services</b>		
Carrying amount at the beginning of the Year	14,528.52	15,886.39
Additional provision made during the year	4,928.74	4,748.10
Amount used during the year	(123.29)	(259.42)
Amount reversed during the year	(992.82)	(5,541.17)
Adjustment due to discounting	303.10	(305.38)
Carrying amount at the end of the year	18,644.25	14,528.52
<b>Break up of carrying amount at the end of the year</b>		
Long term provisions	2,271.19	4,549.71
Short term provisions (refer note 31)	16,373.06	9,978.81

### Note 26 : Other non-current liabilities

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Advance from customers	14,940.83	14,864.89
Deferred government grant (refer note 26.1)	17.80	20.77
<b>Total</b>	<b>14,958.63</b>	<b>14,885.66</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 26.1:** The deferred government 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, 2024	As at March 31, 2023
<b>Secured</b>		
Working capital demand loan (WCDL)(refer note 27.1 & 27.2)	20,935.92	43,400.00
Cash credit (refer note 27.1 & 27.3)	4,160.90	7,919.79
Packing credit loan from banks (refer note 27.4)		
-In Indian rupees	-	6,400.00
Short term loan (refer note 27.1 & 27.5)	-	3,000.00
Current maturities of long term debt (refer note 23)	11,114.95	14,677.96
<b>Unsecured</b>		
Other loans (refer Note 27.6)	1,864.14	1,356.42
<b>Total</b>	<b>38,075.91</b>	<b>76,754.17</b>

**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 7.30% to 8.25% p.a.( Previous year 4.40% to 9.50% p.a.) during the above periods.

**Note 27.3** Repayable on demand. Rate of interest varied from 7.30% to 10.50% 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. during the above periods.

**Note 27.5** Rate of interest varied from 7.25% to 9.50%p.a. during the above periods.

**Note 27.6** Represents payments to MSME creditors through Receivable Exchange of India Ltd. (RXIL) and MYND Solutions portal, payable to RXIL and MYND Solutions on due dates.

### Note 28 : Current financial liabilities - Trade payable

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of Micro and Small Enterprises (refer note 28.1)	5,530.11	7,418.41
Total outstanding dues of creditors other than Micro and Small Enterprises *	136,744.62	142,288.32
<b>Total</b>	<b>142,274.73</b>	<b>149,706.73</b>

\* includes balances with related parties (refer note 46)

**Note 28.1** The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the group, on the basis of information and records available with the group. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	5,530.11	7,418.41
- interest	6.69	15.50
(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	0.47	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 of the Act.	-	-

## Note 28.2 : Trade payables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2024 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	5,354.42	261.31	7.26	0.55	0.04	5,623.58
ii) Others	79,101.44	20,767.49	693.12	512.53	2,956.81	104,031.39
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	32,619.76					32,619.76
<b>Total</b>	<b>117,075.62</b>	<b>21,028.80</b>	<b>700.38</b>	<b>513.08</b>	<b>2,956.85</b>	<b>142,274.73</b>

(₹ 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
<b>Total</b>	<b>116,155.32</b>	<b>27,111.95</b>	<b>1,359.82</b>	<b>913.85</b>	<b>4,165.79</b>	<b>149,706.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29 : Current financial liabilities excluding provisions - Others

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	2,495.88	158.45
Unclaimed dividends	58.79	79.07
Security deposit received	1,371.60	1,135.27
Expense payable	3,924.12	5,129.09
Capital creditors	461.13	304.65
Foreign exchange forwards contracts payable	96.64	130.15
Payable to employees	4,053.92	3,139.89
Managerial /directors remuneration payable*	693.43	533.52
Other payables#	908.36	708.99
<b>Total</b>	<b>14,063.87</b>	<b>11,319.08</b>

\* includes balances with related parties (refer note 46)

# includes stale cheques and other refundables

### Note 30 : Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	9,113.67	3,334.36
Unearned revenue	88,436.64	61,328.58
Advance from customers	136,970.65	73,496.72
Deferred Government grants (refer note 26.1)	2.97	2.97
Forward contracts		
EPCG deferred expense	58.45	58.45
Others*	1,351.56	1,931.96
<b>Total</b>	<b>235,933.94</b>	<b>140,153.04</b>

\* includes provision for site expenses , non trade payables and contractors fees

### Note 31 : Short term provisions

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
-Gratuity (refer note 37)	483.23	430.02
-Leave encashment	328.45	293.01
-Pension provision	306.25	136.36
	1,117.93	859.39
Provision for CSR (refer note 40.1)	124.88	35.99
Provision for warranty (refer note 25.1 & 25.2)	16,373.06	9,978.81
<b>Total</b>	<b>17,615.87</b>	<b>10,874.19</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 32 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	563,689.45	579,159.12
Erection, commissioning and related services	53,009.88	51,396.73
Other operating revenue (refer note 32.1)	5,234.39	9,348.08
<b>Total</b>	<b>621,933.72</b>	<b>639,903.93</b>

## Note 32.1 : Other operating revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Commission earned	-	537.78
Export incentives	847.99	1,716.77
Packing receipts	3.43	19.34
Unclaimed balances / liabilities no longer required written back	-	444.61
Sale of scrap and waste	2,477.18	3,031.98
Foreign exchange fluctuations	1,703.95	1,957.73
Fair value gain on derivatives	126.73	316.72
Miscellaneous income	75.11	1,323.15
<b>Total</b>	<b>5,234.39</b>	<b>9,348.08</b>

## Note 33 : Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>(a) Interest income :</b>		
On bank deposits	343.07	233.00
On other deposits and investments	269.55	287.37
On financial assets measured at amortised cost	8.63	7.85
<b>Total</b>	<b>621.25</b>	<b>528.22</b>
<b>(b) Dividend income on equity investments</b>	0.17	0.13
<b>(c) Net gain on sale of current investments (measured at fair value through profit and loss)</b>	401.91	152.00
<b>(d) Other non operating income :</b>		
Government grant	608.55	109.41
Profit on sale of property, plant and equipment	88.09	49.70
Sale of scrap and waste	9.41	11.28
Miscellaneous income	860.41	416.66
<b>Total</b>	<b>2,589.79</b>	<b>1,267.40</b>

## Note 34 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw material and component consumed	194,257.81	178,403.97
Stores consumed	5,539.80	5,649.70
<b>Total</b>	<b>199,797.61</b>	<b>184,053.67</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 35 : Purchases of Stock-in-Trade

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of stock-in-trade	186,227.92	179,831.87
Provision/(reversal) for foreseeable losses on construction contracts	1,161.29	865.31
<b>Total</b>	<b>187,389.21</b>	<b>180,697.18</b>

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

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Opening stock</b>		
<b>Finished goods</b>	<b>27,788.58</b>	45,435.05
<b>Work-in-progress</b>	<b>48,602.72</b>	59,357.47
<b>Total</b>	<b>76,391.30</b>	<b>104,792.52</b>
<b>Closing stock</b>		
Finished goods	38,859.51	27,788.58
Work in progress	51,717.28	48,602.72
<b>Total</b>	<b>90,576.79</b>	<b>76,391.30</b>
<b>Changes in inventory</b>	<b>(14,185.49)</b>	28,401.22

## Note 37 : Employee benefits expense

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries & wages	46,872.17	42,318.76
Contribution to provident & other funds	3,098.55	3,007.69
Staff welfare expenses	742.89	929.02
<b>Total</b>	<b>50,713.61</b>	<b>46,255.47</b>

## 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	2023-24	2022-23
Provident fund	289.62	276.85
Employees state insurance	4.49	5.51
Superannuation fund	32.31	36.40
Group Gratuity Fund	655.78	624.77
Labour welfare fund	13.44	11.73
National pension scheme	166.15	235.02
<b>Total</b>	<b>1,161.79</b>	<b>1,190.28</b>



## 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)	
	2023-24	2022-23
i. Change in Present value of obligation		
a. Present value of obligation at the beginning of the year	8,519.87	8,191.83
b. Interest cost	629.72	588.31
c. Current service cost	735.30	654.62
d. Benefits paid	(1,130.64)	(989.38)
e. Actuarial (gain) / loss	107.70	74.49
f. Present value of obligation at the end of the year	8,861.95	8,519.87
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	8,288.90	8,049.49
b. Actual return on plan assets	618.36	574.55
c. Contributions	807.14	674.11
d. Mortality, admin and FMC charges	(16.25)	(11.42)
e. Benefits paid	(1,129.44)	(986.36)
f. Actuarial gain / (loss) on plan assets	(15.61)	(11.47)
g. Fair value of plan assets at the end of the year	8,553.10	8,288.90
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	8,553.10	8,288.90
b. Present value of obligation at the end of the year	8,861.95	8,519.87
c. Amount recognised in the Balance Sheet	(308.85)	(230.97)
- Current liability	483.23	429.85
- Non current liability	35.81	23.28
- Current asset	210.19	226.85
iv. Expenses recognised in the statement of Profit & Loss		
a. Current service cost	735.30	651.33
b. Interest cost	509.77	473.29
c. Expected return on plan assets	(492.79)	(460.77)
d. Actuarial (gain) / loss	-	-
e. Expenses recognised in the Profit & Loss	752.28	663.85
v. Recognised in other comprehensive income for the year		
a. Actuarial gain/(loss) for the year on present benefit obligation	(107.70)	(74.49)
b. Actuarial gain/(loss) for the year on assets	(15.61)	(11.47)
vi. Actuarial assumptions		
a. Discount rate (per annum)	7.21% - 7.36%	6.92% - 7.26%
b. Rate of escalation in salary (per annum)	6.50%	6.50%

### c. Amounts for the current and previous period in respect of Gratuity is as follows:

(₹ in lakhs)

Particulars	Gratuity (Funded)				
	2023-24	2022-23	2020-21	2019-20	2018-19
Defined benefit obligation	8,861.95	8,519.87	8,097.71	8,302.98	7,662.09
Plan assets	8,553.10	8,288.90	7,990.12	7,978.44	7,942.74
Surplus / (Deficit)	(308.85)	(230.97)	(107.59)	(324.54)	280.65

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### d. Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2023-24	2022-23
a. Within next twelve months	1,215.69	1,276.31
b. Between one to five years	2,526.36	2,399.90
c. Between five to ten years	4,548.62	4,364.78

### e. Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2023-24	2022-23
(a) Impact of the change in discount rate		
Present value of obligation at the end of the period	8,553.10	8,288.91
(i) Impact due to increase of 0.50%	(334.44)	(321.59)
(ii) Impact due to decrease of 0.50%	326.33	346.73
(b) Impact of the change in salary increase		
Present value of obligation at the end of the period	8,861.98	8,452.52
(i) Impact due to increase of 0.50%	361.40	348.03
(ii) Impact due to decrease of 0.50%	(338.18)	(325.66)

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)	
	2023-24	2022-23
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, 2024	As at March 31, 2023
a) Discount rate	7.25%-7.38%	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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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, 2023: ₹ 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, 2024.

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1129.62 lakhs for provident fund during the year ended March 31, 2024 (March 31, 2023: ₹ 1143.30 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.

### Defined Contribution Plan : Pension

(₹ in lakhs)		
Asset/Liability	2023-24	2022-23
Present value of obligation	(818.65)	(1,020.38)
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(818.65)	(1,020.38)

The Break down in given below	2023-24	2022-23
Interest Guarantee Liability	(83.83)	(104.49)
(Shortfall)/Surplus in fund	(734.82)	(915.89)
Net (Shortfall)/ Surplus	(818.65)	(1,020.38)

Principal assumptions are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
	Rate (%)	Rate (%)
a) Discount rate	7.23	7.32
b) Expected interest rate on the ledger balance	7.96	7.47
c) Retirement age (years)	60	60
d) Ages (withdrawal rate %)		
Up to 30 Years	N/A	N/A
From 31 to 44 Years	N/A	N/A
Above 44 Years	N/A	N/A

### Defined benefits plan- Pension plan

One of the subsidiary of Group has an unfunded, non-contributory 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:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.50%	7.50%
Future salary increases	4.00%	4.00%

### Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)		
Particulars	2023-24	2022-23
(a) Impact of the change in discount rate		
(i) Impact due to increase of 1%	(86.55)	(90.53)
(ii) Impact due to decrease of 1%	99.41	104.89
(b) Impact of the change in salary increase		
(i) Impact due to increase of 1%	99.53	105.04
(ii) Impact due to decrease of 1%	(88.63)	(90.29)

### Maturity profile of defined benefit obligation

(₹ in lakhs)		
Particulars	2023-24	2022-23
a. Within next twelve months	-	-
b. Between one to five years	104.92	55.86
c. Between five to ten years	821.07	556.56

(₹ in lakhs)		
Particulars	2023-24	2022-23
Change in Present value of obligation		
a. Present value of obligation at the beginning of the year	97.34	78.52
b. Interest cost	6.58	3.81
c. Current service cost	22.68	23.26
d. Benefits paid	-	-
e. Actuarial (gain) / loss	15.95	(12.70)
f. Translation difference	(1.76)	4.45
g. Present value of obligation at the end of the year	140.78	97.34

### Note 38 : Finance costs

(₹ in lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest	5,752.43	6,679.22
Other borrowing costs	449.87	477.56
Interest on lease liability	165.44	142.16
<b>Total</b>	<b>6,367.74</b>	<b>7,298.94</b>

### Note 39 : Depreciation and amortization expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant & equipment	9,137.27	8,951.61
Amortisation of intangible assets	698.04	693.73
Depreciation/amortisation of right-of-use assets	788.68	784.51
<b>Total</b>	<b>10,623.99</b>	<b>10,429.85</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 40 : Other expense

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power & Fuel	5,045.59	5,308.76
Other manufacturing expenses	30,290.79	29,427.30
Rent	750.10	741.46
Repairs to:		
-Plant and machinery	2,736.27	2,965.04
-Building	1,393.72	852.54
-Others	671.02	485.31
Insurance	1,916.88	1,612.60
Rates and taxes	453.00	304.21
Commission to selling agents and others	1,012.99	1,418.05
Royalty	2,415.03	935.60
Bad debts written off	0.08	0.34
Electricity and water expenses	867.63	886.20
Travelling and conveyance	5,600.27	4,884.77
Packing, forwarding & transportation expenses	8,919.74	13,995.99
Design & technical expenses	4,592.58	9,008.71
Advertising and sales promotion	262.66	123.15
Office & maintenance expenses	12,478.06	11,449.15
Legal and professional charges	856.64	1,142.57
Bank charges	2,062.63	1,779.69
Provision for warranties (net of reversals)	9.35	291.93
Adjustment of expected credit loss	440.90	631.75
Impairment of goodwill	706.00	594.80
Net loss / (gain) on foreign currency transactions	1,183.67	2,075.92
Loss / (profit) on sale of property, plant and equipment (net)	87.35	49.63
Loss on sales/diminution in value of stores	0.22	19.06
Loss on investments carried at fair value through profit or loss	232.79	100.25
Non executive director's remuneration / sitting fee	29.25	22.61
Fair value loss on derivatives	126.73	316.72
Donation	6.90	2.49
Payment to auditor		
- as statutory auditor	102.96	86.80
- for taxation matters	1.10	0.30
- for other services	1.38	1.55
- for reimbursement of expenses	10.27	8.52
Managerial remuneration	836.50	676.10
Corporate social responsibility expenses (refer note 40.1)	647.92	583.30
<b>Total</b>	<b>86,748.97</b>	<b>92,783.17</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 40.1 : Corporate social responsibility

Disclosure related to corporate social responsibility

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i. Amount required to be spent by the company for the year	647.92	583.30
ii. Amount arising out of previous financial year	35.99	160.93
iii. Amount of expenditure incurred	559.03	708.23
iv. Shortfall at the end of the year	124.88	35.99
v. Total of previous years shortfall	2.44	35.99

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

vii. Nature of CSR activities-

- a. Promoting education & ensuring environmental sustainability - Providing solar power systems and rainwater 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, 2024- Nil (Previous year Nil)

- b. Payable as at March 31, 2024 - 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Note: 40.2 Government grants recognised in the financial statements of Saraswati Sugar Mills Limited			Grants recognised in profit or loss		Grants recoverable	
Sl. No.	Particulars	Treatment in Accounts	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
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	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21	Shown as a other income	605.58	106.44	-	-
<b>Total of Government grant shown as other income (refer note 33)</b>			<b>608.55</b>	<b>109.41</b>	<b>-</b>	<b>-</b>
1	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
2	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)	301.43	342.60	218.47	169.93
3	Haryana State Government subsidy on cane crushed during the sugar season 2022-23 and 2023-24 to the extent of cane crushed	Deducted from cane cost (refer note 34)	746.99	3,861.85	303.18	3,119.31
<b>Total of Government grant deducted from respective expenses</b>			<b>1,048.42</b>	<b>4,204.45</b>	<b>525.18</b>	<b>3,292.77</b>
<b>Grand Total of Government grants recognised in the Profit &amp; Loss &amp; Grants Recoverable</b>			<b>1,656.97</b>	<b>4,313.86</b>	<b>525.18</b>	<b>3,292.77</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 41 : Tax expense (IND AS 12)

#### Income tax expense

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Current tax		
Current tax on profit for the period	10,240.97	8,502.97
Adjustments for current tax of prior periods	-	-
Tax of earlier years	(17.91)	5.53
<b>Total Current tax expense</b>	<b>10,223.06</b>	<b>8,508.50</b>
(ii) Deferred tax expenses	(294.04)	(59.58)
<b>Total Income tax Expense</b>	<b>9,929.02</b>	<b>8,448.92</b>

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, 2024	Year ended March 31, 2023
Accounting profit before income tax	35,416.21	29,003.03
Statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	9,371.51	7,455.54
Expenditure for which deduction is not allowed under Income Tax Act	442.85	600.21
Differential tax rate on fair value of investments	59.26	25.24
Differential tax rate on sale of investments	(2.17)	(1.99)
Tax on exempt income	(613.80)	(420.31)
Change in tax rate for future period considered for deferred tax	10.45	8.66
Other deductions	660.92	781.57
<b>Total</b>	<b>9,929.02</b>	<b>8,448.92</b>

### Note 42 : Earnings per share (IND AS 33)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
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)	24,367.24	19,649.05
Basic earning per share (In ₹)	33.14	26.72
Diluted earning per share (In ₹)	33.14	26.72

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 43 : Contingent liabilities and capital commitments (IND AS 37)**

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. Contingent Liabilities not provided for:</b>		
a) Claims against the company not acknowledged as debts	7,824.59	4,616.12
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	41,388.23	33,539.01
c) Bonds/Bank Guarantees executed in favour of Commissioner of Customs against Project Import at Concessional Rate/ Project Authority Certificate	13.97	13.97

**II. Capital commitments**

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7,841.70	7,329.92

**Note 44 : Leases (IND AS 116)****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, 2024	Year ended March 31, 2023
a) Residential premises	711.50	67.14
b) Commercial premises	26.42	658.94
c) Plant and machinery	12.18	15.38
<b>Total</b>	<b>750.10</b>	<b>741.46</b>

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Right-of-use assets</b>		
Building	1,891.47	2,418.12
Land	2,270.28	2,367.97
<b>Total</b>	<b>4,161.75</b>	<b>4,786.09</b>

The break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease Liabilities</b>		
Current	589.47	959.88
Non-current	2,125.09	2,529.97
<b>Total</b>	<b>2,714.56</b>	<b>3,489.85</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	3,489.85	2,814.14
Additions	437.11	1,311.61
Finance cost accrued during the period	230.79	142.16
Remeasurement of Lease	(633.61)	(213.93)
Deletions	-	(8.36)
Payment for leases	777.87	696.62
Translation Difference	(31.71)	140.85
<b>Balance at the end of the year</b>	<b>2,714.56</b>	<b>3,489.85</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Less than one year	729.67	1,129.86
(ii) One to five years	1,607.37	2,134.07
(iii) More than five years	1,392.38	1,378.57
<b>Total</b>	<b>3,729.42</b>	<b>4,642.50</b>

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 ₹ 750.10 lakhs For FY 2023-24 and ₹ 741.46 lakhs for FY 2022-23

### 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, 2024	As at March 31, 2023
a) Not later than one year	52.00	36.66
b) Later than one year and not later than five years	108.86	91.74
c) Later than five years	120.25	0.02
<b>Total</b>	<b>281.11</b>	<b>128.42</b>

## Note 45 : Segment Information (IND AS 108)

### Operating Segment

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

- Manufacturing of machinery and equipment segment
- Engineering, procurement and construction segment
- Sugar
- Ethanol
- Ethanol (Plant under construction)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### Segment Accounting Policies:

- i. The segment results have been prepared using the same accounting policies as per the Financial Statements of the Group.
- ii. Unallocated assets include deferred tax, investments and interest bearing deposits.
- iii. Unallocated liabilities include non-interest bearing liabilities and tax provisions.
- iv. Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of machinery & equipment	201,440.71	24,867.42	226,308.13	203,538.34	25,534.01	229,072.35
Engineering, procurement and construction	338,748.61	7,247.70	345,996.31	337,247.18	1,939.41	339,186.59
Sugar	60,830.39	16,094.51	76,924.90	76,535.08	13,326.59	89,861.67
Ethanol	20,779.46	-	20,779.46	21,796.30	-	21,796.30
Ethanol (Plant Under Construction at Philippines)	102.56	-	102.56	122.02	-	122.02
Unallocated	31.99	-	31.99	665.01	-	665.01
Elimination	-	(48,209.63)	(48,209.63)	-	(40,800.01)	(40,800.01)
<b>Segment Total</b>	<b>621,933.72</b>	<b>-</b>	<b>621,933.72</b>	<b>639,903.93</b>	<b>-</b>	<b>639,903.93</b>

### 2. Segment Result (Profit/(Loss) before interest and tax)

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Manufacturing of machinery & equipment	23,068.41	15,864.85
Engineering, procurement and construction	13,416.39	14,793.61
Sugar	7,264.73	9,484.00
Ethanol	2,396.00	778.26
Ethanol (Plant Under Construction at Philippines)	(2,796.66)	(3,650.66)
Unallocated	(2,368.09)	(1,821.21)
<b>Operating Profit Before Interest and Tax</b>	<b>40,980.78</b>	<b>35,448.85</b>
Less: Interest Expense	(5,917.87)	(6,821.38)
Inter Segment Interest	868.23	(650.08)
Add: Interest Income	1,221.53	1,025.64
<b>Profit Before Tax</b>	<b>35,416.21</b>	<b>29,003.03</b>

### 3. Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Manufacturing of machinery & equipment	223,676.75	189,994.27	119,360.99	110,036.34
Engineering, procurement and construction	389,486.52	372,560.17	300,744.36	281,172.93
Sugar	58,441.76	46,915.50	31,541.86	12,282.58
Ethanol	22,030.94	22,351.95	7,447.81	9,531.48
Ethanol (Plant Under Construction) at Philippines	101,810.28	87,835.53	101,941.08	84,363.21
Unallocated	42,184.27	33,839.80	14,740.57	16,900.96
<b>Total</b>	<b>837,630.52</b>	<b>753,497.22</b>	<b>575,776.67</b>	<b>514,287.50</b>
Less: Inter Segment assets/liabilities	54,113.30	46,024.98	54,113.30	46,024.99
<b>Total Segment Asset/Liability</b>	<b>783,517.22</b>	<b>707,472.24</b>	<b>521,663.37</b>	<b>468,262.51</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Manufacturing of machinery & equipment	4,330.86	4,617.91	6,198.69	6,311.69
Engineering, procurement and construction	1,098.45	1,713.14	1,210.51	1,021.95
Sugar	6,823.78	713.71	889.12	785.56
Ethanol	82.03	1,385.40	1,001.48	973.23
Ethanol (Plant Under Construction at Philippines)	14,158.90	8,939.64	404.97	417.73
Unallocated	1,859.69	33.25	221.20	225.96

## 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, 2024	Year ended March 31, 2023
Revenue from external customers		
- Within India	540,830.83	532,278.19
- Outside India		
Nigeria	7,883.47	1,788.38
USA	9,075.75	12,056.94
Morocco	964.63	6,622.24
Vietnam	692.87	14,300.51
Bangladesh	2,444.21	8,942.69
Other countries	60,041.96	63,914.98
<b>Total</b>	<b>621,933.72</b>	<b>639,903.93</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets		
- Within India	92,403.90	87,496.96
- Outside India	102,194.85	88,428.28
<b>Total</b>	<b>194,598.75</b>	<b>175,925.24</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 46 : Related party transactions

In accordance with the Accounting Standard on "Related Party Disclosures" (Ind AS-24), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the Management, are as follows:

#### I. Description and name of related parties

Description of relationship	Name	Country of Incorporation
Holding company	None	
Entities over which key management personnel can exercise significant influence	Yamuna Syndicate Limited	India
	Kamla Puri Charitable Trust	India
	N. A. Cold Storages Private Limited	India
	Kamla Puri Charitable Foundation	India
	Blue Water Enterprises	India
Associate Company	Penwood Project Land Corporation	Philippines
Key management personnel		Designation
	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
	Mr. Arvind Sagar	Non Executive Independent Director
	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
	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units
	Ms. Reva Khanna	Non Executive Director of wholly owned subsidiary
Relative of Key Management Personnel	Mrs. Nina Puri	
	Ms. Nayna 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 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
8	Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance 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, 2024	Year ended March 31, 2023
a) Purchase of goods		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	249.11	440.76
-Key management personnel		
Mr. Aditya Puri (Managing Director)	4.04	2.54
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	3.96	2.89
<b>Total</b>	<b>257.11</b>	<b>446.19</b>
b) Sale of goods		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.25	0.21
<b>Total</b>	<b>0.25</b>	<b>0.21</b>
c) Purchase of fixed Assets		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.17	4.10
<b>Total</b>	<b>0.17</b>	<b>4.10</b>
d) Rendering of services		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	2.66	2.56
<b>Total</b>	<b>2.66</b>	<b>2.56</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

f)	Rent Paid		
	-Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	76.99	76.98
	-Relatives of Key management personnel		
	Mrs. Nina Puri	33.00	33.00
	<b>Total</b>	<b>109.99</b>	<b>109.98</b>
g)	Dividend Paid		
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	992.54	661.70
	N. A. Cold Storages Private Limited	45.01	30.01
	-Key Management Personnel		
	Mr. Ranjit Puri	197.76	131.84
	Mr. Aditya Puri	137.04	91.36
	Mr. Sudershan Kumar Khorana	-	0.37
	Mr. Kishore Chatnani	0.02	0.01
	-Relative of Key Management Personnel		
	Mrs. Nina Puri	4.78	3.18
	<b>Total</b>	<b>1,377.15</b>	<b>918.47</b>
h)	Reimbursement received for resources utilisation		
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	-	0.50
	<b>Total</b>	<b>-</b>	<b>0.50</b>
i)	Key management personnel compensation ^		
	Mr. Aditya Puri	840.91	679.07
	Mr. Sudershan Kumar Khorana	-	31.80
	Mr. Kishore Chatnani	183.83	143.64
	Mr. Sanjay Gulati	208.97	200.99
	Ms. Shweta Agarwal	-	17.83
	Mr. Sachin Saluja	36.36	13.82
	<b>Total</b>	<b>1,270.07</b>	<b>1,087.15</b>
^ 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.			
j)	Key management personnel remuneration / sitting fees		
	Mr. Ranjit Puri	6.35	5.35
	Mr. Sudershan Kumar Khorana	0.80	0.80
	Ms. Reva Khanna	0.80	0.80
	Mr. Sidharth Prasad	5.05	4.95
	Mr. Vishal Kirti Keshav Marwaha	5.95	2.65
	Mrs. Rashi Sikha	4.35	3.31
	Mr. Arvind Sagar	5.95	4.75
	-Relative of Key Management Personnel		
	Ms. Nayna Puri	8.96	-
	<b>Total</b>	<b>38.21</b>	<b>22.61</b>
k)	Contribution to trust for post employment benefit		
	<b>Name of trust</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>March 31, 2024</b>	<b>March 31, 2023</b>
	Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,486.31	1,372.52
	Isgec Employees Group Gratuity cum Life Assurance Scheme	623.96	572.13
	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	63.71	48.02
	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	-	15.09
	Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	32.66	31.25
	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	118.70	18.10
	Saraswati Industrial Syndicate Limited Superannuation Scheme	33.81	37.90

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Nature of Transaction/Relationship	As at March 31, 2024	As at March 31, 2023
l)	Amount payable as at year end		
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	14.84	9.21
	-Key management personnel		
	Mr. Aditya Puri (Managing Director)	692.30	531.55
	Mr. Ranjit Puri (Chairman)	0.78	1.44
	MR. Arvind Sagar	0.23	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Sanjay Gulati	9.40	6.69
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Rashi Sikha	0.23	0.19
	-Relative of Key Management Personnel		
	Mrs. Nina Puri	-	1.80
	Ms. Nayna Puri	0.84	-
	<b>Total</b>	<b>725.78</b>	<b>558.26</b>
m)	Amount receivable as at year end		
	-Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	19.25	17.12
	Yamuna Syndicate Ltd.	2.07	-
	<b>Total</b>	<b>21.32</b>	<b>17.12</b>

## (n) 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, 2024	As at March 31, 2023
Debt	78,724.45	120,040.60
Less: Cash & cash equivalent	14,261.60	16,815.27
Less: investments in liquid mutual funds	49.71	-
Net debt	64,413.14	103,225.33
Total equity	2,52,256.28	230,431.61
Total equity and net debt	3,16,669.42	333,656.94
<b>Net debt to equity plus debt ratio (Gearing Ratio)</b>	<b>20.34%</b>	<b>30.94%</b>

**Notes:**

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23 and 27.
- Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest.

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

### c. Dividends in the books of Isgec Heavy Engineering Limite

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>(i) Dividends Recognized</b>		
Dividend for the year ended March 31, 2023 ₹ 3/- per equity share of ₹ 1/- each (for the year ended March 31, 2022 ₹ 2/ per equity share of ₹ 1/- each)	2,205.89	1,470.59
Interim dividend during the year ended March 31, 2024 ₹ NIL/- per equity share of ₹ 1/- each (during the year ended March 31, 2023 ₹ NIL/- per equity share of ₹ 1/- each)	-	-
<b>(ii) Dividend proposed but not recognised in the books of accounts*</b>		
The Board of Directors have recommended the payment of a final dividend of ₹ 4/- per equity share of ₹ 1/- each (March 31, 2023 ₹ 3/- per equity share of ₹ 1/- each)	2,941.18	2,205.89

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

## Note 48: Financial instruments- accounting classification and fair value measurement (IND AS 113)

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Financial Asset						
Investments						
-Investments in mutual funds	-	49.71	-	-	-	-
-Other investments	-	1,144.99	-	-	1,660.48	-
Trade receivables	299,769.33	-	-	288,907.75	-	-
Loans	1,593.72	-	-	1,225.15	-	-
Cash and cash equivalents	14,261.60	-	-	16,815.27	-	-
Bank balances	4,925.37	-	-	4,236.42	-	-
Foreign currency forward contracts	-	96.64	-	-	130.15	-
Other financial assets	5,273.70	-	-	7,426.67	-	-
<b>Total Financial Assets</b>	<b>325,823.72</b>	<b>1,291.34</b>	<b>-</b>	<b>318,611.26</b>	<b>1,790.63</b>	<b>-</b>
Financial Liabilities						
Borrowings	78,724.45	-	-	120,040.60	-	-
Trade payables	142,274.73	-	-	149,706.73	-	-
Forward contracts	-	96.64	-	-	130.15	-
Lease liability	2,714.56	-	-	3,489.85	-	-
Other Financial Liabilities	20,277.71	-	-	17,775.57	-	-
<b>Total Financial Liabilities</b>	<b>243,991.45</b>	<b>96.64</b>	<b>-</b>	<b>291,012.75</b>	<b>130.15</b>	<b>-</b>

\*FVTPL - Fair value through profit or loss

# FVTOCI - Fair value through other comprehensive income



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### i. Fair Value Hierarchy

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

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

The following table provides the fair value measurement hierarchy of 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, 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				
-Investments in mutual funds	-	-	-	-
-Other investments	1,660.48	-	1,660.48	-
Foreign currency forward contracts	130.15	-	130.15	-
<b>Total</b>	<b>1,790.63</b>	<b>-</b>	<b>1,790.63</b>	<b>-</b>
Financial Liabilities				
Forward contracts	130.15	-	130.15	-
<b>Total</b>	<b>130.15</b>	<b>-</b>	<b>130.15</b>	<b>-</b>
(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
<b>Total</b>	<b>3,730.31</b>	<b>-</b>	<b>-</b>	<b>3,730.31</b>
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	17,775.57	-	-	17,775.57
<b>Total</b>	<b>291,012.75</b>	<b>-</b>	<b>-</b>	<b>291,012.75</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2024	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	49.71	49.71	-	-
-Other investments	1,144.99	-	1,144.99	-
Foreign currency forward contracts	96.64	-	96.64	-
<b>Total</b>	<b>1,291.34</b>	<b>49.71</b>	<b>1,241.63</b>	<b>-</b>
Financial Liabilities				
Forward contracts	96.64	-	96.64	-
<b>Total</b>	<b>96.64</b>	<b>-</b>	<b>96.64</b>	<b>-</b>
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2024				
Financial Assets				
Loan to employees	1,547.17	-	-	1,547.17
Security deposit	3,659.91	-	-	3,659.91
<b>Total</b>	<b>5,207.08</b>	<b>-</b>	<b>-</b>	<b>5,207.08</b>
Financial Liabilities				
Borrowings	78,724.45	-	-	78,724.45
Trade payables	142,274.73	-	-	142,274.73
Lease liability	2,714.56	-	-	2,714.56
Other financial liabilities	20,277.71	-	-	20,277.71
<b>Total</b>	<b>243,991.45</b>	<b>-</b>	<b>-</b>	<b>243,991.45</b>

**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 THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 49 : FINANCIAL RISK MANAGEMENT

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

The 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, 2024 and March 31, 2023."

##### a. Interest rate risk

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	78,724.45	118,684.18
Fixed rate borrowings	-	-
<b>Total</b>	<b>78,724.45</b>	<b>118,684.18</b>

Interest on discounting of bills by suppliers, current year Rs 1,864.14 Lacs (Previous year Rs 1356.42 Lacs) is not chargeable to the company.

ii. As at the end of reporting period, the Group had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Variable rate borrowings	8.12%	78,724.45	100.00%	6.35%	118,684.18	100.00%
<b>Net exposure to cash flow interest rate risk</b>		<b>78,724.45</b>			<b>118,684.18</b>	

iii. Sensitivity

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

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
INR	+50	+50	393.62	593.42
	- 50	- 50	(393.62)	(593.42)

##### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

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

(₹ in lakhs)

Foreign currency exposure as at March 31, 2024	USD	Euro	JPY	Others	Total
Trade receivables	28,659.80	2,926.81	-	496.42	32,083.03
Bank balances in current accounts and term deposits accounts	613.46	-	-	539.62	1,153.08
Trade payables	3,263.91	1,319.36	617.32	1,678.31	6,878.90
Hedged portion	24,786.10	3,947.08	616.65	544.41	29,894.24
Net exposure to foreign currency risk (assets)	7,751.07	299.09	0.67	10,999.78	19,050.61
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 (liabilities)	10,117.66	346.63	0.09	6,624.58	17,088.96

### 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	2023-24		2022-23	
	1% increase	1% decrease	1% increase	1% decrease
USD	77.51	-77.51	101.18	-101.18
Euro	2.99	-2.99	3.47	-3.47
JPY	0.01	-0.01	0.00	-0.00
Others	110.00	-110.00	66.25	-66.25

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

### c. Price Risk

The Group's exposure to price risk arises from the investment held by the Group. To manage its price risk arising from investments in marketable securities, the Group diversifies its portfolio and is done in accordance with the Group policy. The Group's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

## II. Credit risk

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

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

- i. Actual or expected significant adverse changes in business.
- ii. Actual or expected significant changes in the operating results of the counterparty.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 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, 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
As at March 31, 2024					
Gross Carrying Amount	155,235.05	121,323.65	12,300.43	13,805.09	302,664.22
Expected Credit Loss	24.21	254.82	603.04	2,012.83	2,894.90
Carrying Amount (net of impairment)	155,210.84	121,068.83	11,697.39	11,792.26	299,769.32

The Group uses a provision matrix to determine impairment loss on portfolio of its financial and non-financial assets. The provision matrix is based on its historically observed default data over the expected life of the financial and non-financial assets 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 by an independent registered valuer and are provided for.

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, 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
Provided during the year	393.92	-	46.97	440.89
Amounts written off	-	-	-	-
Reversal of provisions	-	-	-	-
Unwinding of discounts	-	-	-	-
Transferred on account of demerger	-	-	-	-
As at March 31, 2024	2,894.89	335.00	90.02	3,319.91

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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, 2024	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	78,724.45	25,096.82	12,979.09	40,648.54	78,724.45
Trade payables	142,274.73	-	142,274.73	-	142,274.73
Lease liability	2,714.56	-	589.47	2,125.09	2,714.56
Other Financial Liabilities	20,374.35	-	14,063.87	6,310.48	20,374.35
<b>Total</b>	<b>244,088.09</b>	<b>25,096.82</b>	<b>169,907.16</b>	<b>49,084.11</b>	<b>244,088.09</b>

(₹ 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
<b>Total</b>	<b>291,142.90</b>	<b>51,319.79</b>	<b>187,420.07</b>	<b>52,403.04</b>	<b>291,142.90</b>

### Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft and other facilities	94,855.73	62,383.42



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 50 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-**

Sr. No.	Particulars	Description					
a)	<b>Products covered for Cost Audit</b>	Ingots and Manufactured items of Engineering Machinery for Isgec Heavy Engineering Limited		Manufactured items of Engineering Machinery for Isgec Hitachi Zosen Limited		Sugar for Saraswati Sugar Mills Limited	
b)	<b>Full Particulars of Cost Auditor</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>
		M/s Neeraj Sharma & Co.	M/s Gopinathan Mohandas & Co.	M/s Neeraj Sharma & Co.	M/s Gopinathan Mohandas & Co.	M/s Neeraj Sharma & Co.	M/s Gopinathan Mohandas & Co.
		Cost Accountants	Cost Accountants	Cost Accountants	Cost Accountants	Cost Accountants	Cost Accountants
		34, First Floor, Durga Tower,RDC	HIG, G-11A, Sector-23, Raj Nagar,	34, First Floor, Durga Tower,RDC	HIG, G-11A, Sector-23, Raj Nagar,	34, First Floor, Durga Tower,RDC	HIG, G-11A, Sector-23, Raj Nagar,
		Raj Nagar, Ghaziabad-201002 (UP)	Ghaziabad-201002 (UP)	Raj Nagar, Ghaziabad-201002 (UP)	Ghaziabad-201002 (UP)	Raj Nagar, Ghaziabad-201002 (UP)	Ghaziabad-201002 (UP)
c)	<b>Filling of Cost Audit Report</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>
	i) Due Date of Filling of Cost Audit Report	<b>27.09.2024</b>	27.09.2023	<b>27.09.2024</b>	27.09.2023	<b>27.09.2024</b>	27.09.2023
	ii) Actual Date of Filling Cost Audit Report	<b>Not Yet Due</b>	06.09.2023	<b>Not Yet Due</b>	24.08.2023	<b>Not Yet Due</b>	21.08.2023

## Note 51 : 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, 2024

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 Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
Isgec Heavy Engineering Limited	85.41%	215,460.41	95.09%	23,170.68	34.96%	(75.29)	95.63%	23,095.39
<b>Subsidiaries</b>								
<b>Indian</b>								
Isgec Covema Limited	0.29%	732.07	0.01%	1.42	0.00%	-	0.01%	1.42
Isgec Exports Limited	0.06%	146.98	0.03%	6.84	0.00%	-	0.03%	6.84
Isgec Engineering & Projects Limited	0.17%	419.49	0.02%	5.10	0.00%	-	0.02%	5.10
Saraswati Sugar Mills Limited	15.76%	39,748.82	25.69%	6,259.21	-48.43%	104.29	26.35%	6,363.50
Freebook Software Private Limited	0.34%	864.78	0.17%	42.03	0.00%	-	0.17%	42.03
Isgec Hitachi Zosen Limited	6.65%	16,785.56	6.29%	1,533.01	0.62%	(1.34)	6.34%	1,531.67
Isgec SFW Boilers Private Limited	0.34%	863.24	0.90%	219.92	-0.57%	1.22	0.92%	221.14
Isgec Redecam Enviro Solutions Private Limited	0.09%	214.65	0.69%	167.41	0.00%	-	0.69%	167.41
Isgec Titan Metal Fabricators Private Limited	0.68%	1,723.40	1.50%	365.28	0.43%	(0.93)	1.51%	364.35
<b>Foreign</b>								
Eagle Press & Equipment Co. Limited	-1.33%	(3,343.06)	-3.97%	(966.83)	9.18%	(19.76)	-4.08%	(986.59)
Isgec Investment PTE Limited	-3.20%	(8,069.84)	0.30%	72.55	0.00%	-	0.30%	72.55
Bioeq Energy Holdings One	24.13%	60,858.60	-0.02%	(5.70)	0.00%	-	-0.02%	(5.70)
Bioeq Energy Pte Ltd.	-0.02%	(42.02)	0.01%	1.42	0.00%	-	0.01%	1.42
Bioeq Energy B.V.	23.53%	59,351.35	-0.06%	(13.64)	0.00%	-	-0.06%	(13.64)
Bioeq Energy Holding Corp.	16.04%	40,462.97	-4.21%	(1,025.27)	100.78%	(217.01)	-5.14%	(1,242.28)
Cavite Biofuels Producers Inc.	5.49%	13,844.10	-9.12%	(2,222.48)	5.65%	(12.16)	-9.25%	(2,234.64)
Bukid Verde Inc.	-3.52%	(8,873.29)	-1.14%	(277.84)	0.40%	(0.86)	-1.15%	(278.70)
Non controlling interest in all subsidiaries	-3.80%	(9,597.57)	-4.60%	(1,119.95)	-3.02%	6.50	-4.61%	(1,113.45)
<b>Associate</b>								
<b>Foreign</b>								
Penwood Project Land Corporation (PPLC)	0.05%	138.23	0.05%	12.37	0.00%	-	0.05%	12.37
Consolidation adjustments	-67.17%	(169,432.60)	-7.63%	(1858.29)	0.00%	-	-7.68%	(1858.29)
<b>Total</b>	<b>100%</b>	<b>252,256.27</b>	<b>100%</b>	<b>24367.24</b>	<b>100%</b>	<b>(215.34)</b>	<b>100%</b>	<b>24151.9</b>

(₹ in lakhs)

## B. For the year ended March 31, 2023

Name of the Entity	Net 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 Comprehensive Income	Amount											
									2	3	4	5	6	7	8	9			
1																			
<b>Parent</b>																			
Isgec Heavy Engineering Limited	84.44%	194,570.91	90.58%	17,792.32	-46.20%	(74.03)	89.48%	17,718.29											
<b>Subsidiaries</b>																			
<b>Indian</b>																			
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											
<b>Foreign</b>																			
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)											
<b>Associate</b>																			
<b>Foreign</b>																			
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)											
<b>Total</b>	<b>100%</b>	<b>230,431.61</b>	<b>100%</b>	<b>19,641.67</b>	<b>100%</b>	<b>160.24</b>	<b>100%</b>	<b>19,801.91</b>											

(₹ in lakhs)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 52 : Disclosure under Ind AS 115 “Revenue from contracts with customers”

#### a. Disaggregated revenue information

(₹ in lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Type of services or goods</b>		
Manufacturing of Machinery & Equipment	201,440.71	203,538.34
Engineering, Procurement and Construction	338,748.61	337,247.18
Sugar	60,830.39	76,535.08
Ethanol	20,779.46	21,796.30
Plant under construction	102.56	122.02
Others	31.99	665.01
<b>Total revenue from sale of services or goods</b>	<b>621,933.72</b>	<b>639,903.93</b>
Revenue from contracts with customers		
Revenue from customers based in India	540,830.83	532,278.19
Revenue from customers based outside India	81,102.89	107,625.74
<b>Total revenue from contracts with customers</b>	<b>621,933.72</b>	<b>639,903.93</b>
<b>Timing of revenue recognition</b>		
Goods and services transferred over time	385,981.37	337,247.18
Goods and services transferred at a point in time	235,952.35	302,656.75
	<b>621,933.72</b>	<b>639,903.93</b>

#### b. Trade receivables and Contract Customers

(₹ in lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	299,769.33	288,907.75
Contract Assets	69,776.67	49,485.31
Contract Liabilities	240,348.12	149,690.19

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 2,894.89 lakhs (Previous Year ₹ 2,500.97 lakhs) was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

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

(₹ in lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts included in contract liabilities at the beginning of the year	149,690.19	149,519.22
Amount received against contract liability during the year	304,976.60	187,623.90
Performance obligations satisfied during the year	214,318.67	187,452.93
Amounts included in contract liabilities at the end of the year	240,348.12	149,690.19

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
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	661,749.65	704,131.89
(b) When the entity expects to recognise as revenue		
Within one year	68.02%	60.46%
Within two years	27.23%	34.62%
Within five years	4.75%	4.92%
Thereafter		0.00%

### Note 53 :Other Statutory Information

- i. The Group does not have any transactions with companies struck off.
- ii. The Group neither have any Benami property nor 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.
- 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 53.1 : Capital Work in Progress (CWIP) aging schedule

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 31,2024)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	17,755.81	7,124.42	158.61	70,838.43	95,877.27
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>95,877.27</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ 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	-	-	-	-	-
<b>Total</b>					<b>79,221.46</b>

Capital work-in-progress as on March 31, 2024 includes interest on Term Loan capitalised ₹ 3,458.95 Lakhs (as at March 31, 2023 - Nil)

No project in capital work-in-progress as on March 31,2023 and March 31,2024 has become overdue nor its cost has exceeded compared to its original plan.

### Note 53.2 : Intangible assets under development aging schedule

(₹ in lakhs)

Particulars	Amount in Intangible assets under development for a period of (as at March 31,2024)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	64.61	-	-	-	64.61
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>64.61</b>

(₹ 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	-	-	-	-	-
<b>Total</b>					<b>1,257.22</b>

No project in capital work-in-progress as on March 31,2023 and March 31,2024 has become overdue nor its cost has exceeded compared to its original plan.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 54 : Revenue expenditure on Research & Development

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries & wages	181.67	230.09
Contribution to Provident & other Funds	7.54	11.53
Others	74.19	75.56
<b>Total</b>	<b>263.40</b>	<b>317.18</b>

### Note 55 :

Contribution to political parties during the year 2023-24 is ₹ Nil (previous year: ₹ Nil).

### Note 56 :

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

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

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

Place : Noida  
Date : May 29, 2024

**Bhupinder Kumar Malik**  
Chief Accounts & Taxation Officer

**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

**Arvind Sagar**  
Director  
DIN: 09210612

**Vishal Kirti Keshav Marwaha**  
Director  
DIN: 00164204





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For more details,  
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