

Notes to Financial Statements

NOTE 1 : CORPORATE INFORMATION

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

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

NOTE 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

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

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

The standalone financial statements were authorized for issue by the Company's Board of Directors on June 28, 2021.

2.2 Use of Estimates

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

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

a. Revenue from contracts with customers

A significant portion of the Company's business relates to EPC contracts which are accounted for using percentage of completion method, recognizing revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue needs to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Company has the right to payment for performance completed till date, either contractually or legally. The Company is required to estimate costs to complete on fixed price contracts. Estimating costs to complete such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate impacts revenues from operations, unbilled revenue and unearned revenue.

b. Provision for onerous contracts

The Company provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the likely levels of future cost escalation over time.



Notes to Financial Statements

c. Defined benefit plans

The present value of the post-employment benefit obligation depends on a number of factors that are determined using actuarial valuations. An actuarial valuation involves making various assumptions including determination of the discount rate, future salary increases and mortality rates. Any changes in these assumptions will impact upon the carrying amount of post-employment benefit obligations. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 37.

d. Warranty provision

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumption made in current period are consistent with those in the prior year. Warranty provisions are discounted using a pre-tax discount rate. Refer Note 24 for further details.

e. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As a practical expedient, the Company uses a provision matrix to determine Expected Credit Loss (ECL) impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under Expected Credit Loss (ECL). Refer Note 51 for details of impairment allowances recognised at the reporting date.

f. Deferred tax asset recognition

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences can be utilised. In addition, significant judgement is required in assessing the impact of any uncertainties in tax.

2.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

Notes to Financial Statements

The Company classifies all other liabilities as non-current.

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

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

2.4 Revenue Recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (goods or services) to a customer is done over time and in other cases, performance obligation is satisfied at a point of time.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

A. Sale of Products

Revenue from the sale of manufactured and traded goods is recognised when control of the goods is transferred to the customer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods & services tax.

Revenue is measured at the transaction price. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

B. Revenue from Construction Contracts

Revenues are recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

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

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

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

C. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.



Notes to Financial Statements

D. Rental Income

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

E. Other Income

- (i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the Effective Interest Rate (EIR). Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (ii) Insurance claims, export incentives, escalation, etc. are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities / parties.
- (iii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.5 Inventories

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

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

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

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

2.6 Property, Plant & Equipment (PPE)

Recognition

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

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

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

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

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

Notes to Financial Statements

De-recognition

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

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

2.7 Intangible Assets

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

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

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

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

2.8 Depreciation and Amortisation

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

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

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

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

2.9 Non-Current Assets (or disposal groups) classified as held for sale:

To classify any asset or disposal groups (comprising assets and liabilities) as "Asset / Disposal groups held for sale", they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets / Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and property, plant and equipment (PPE) are no longer amortised or depreciated.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.



Notes to Financial Statements

2.10 Impairment of Non-Financial Assets

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

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

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

2.11 Employee Benefits

(i) Provident Fund

The Company makes contribution to the recognised Provident Fund Trust for its employees which is operated by the Company, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(ii) Gratuity

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

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

(iii) Leave Encashment

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

(iv) Retirement Benefits

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

Notes to Financial Statements

(v) Pension

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

(vi) Superannuation Benefit

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

(vii) Other Short-Term Benefits

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

2.12 Leases

As a Lessee

The Company has lease contracts for various building, plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company, otherwise it was classified as an operating lease. Finance lease were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in the Statement of Profit or Loss on a straight line basis over the lease term. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively.

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

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

In the statement of financial position, lease liability is included under financial liability and ROU assets is included in non-current assets and the payment of principal portion of lease liabilities has been classified as financing cash flows.

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

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

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



Notes to Financial Statements

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

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

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

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

As a Lessor

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

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

2.13 Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Notes to Financial Statements

2.14 Borrowing Cost

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when:

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

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

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

2.16 Cash Dividend to Equity Holders

The Company recognized a liability to make cash distribution to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.17 Earnings Per Share

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

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

2.18 Financial Instruments

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



Notes to Financial Statements

Initial Recognition

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

Subsequent Measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortised cost

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

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

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

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

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

(iv) Financial liabilities

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

B. Derivative financial instruments

(i) Initial recognition and subsequent measurement

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

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

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss.

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

Notes to Financial Statements

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

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

Derecognition

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

- (i) The contractual right to receive cash flows from the assets have expired, or
- (ii) The Company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Reclassification of financial assets

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

2.19 Cash and Cash Equivalents

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

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

2.20 Investments in Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- "Separate Financial Statements".

2.21 Impairment of Financial Assets

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

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

2.22 Government Grants

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

2.23 Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.



Notes to Financial Statements

2.24 Foreign Currencies

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

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

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

2.25 Research and Development Expenses

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

2.26 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

2.27 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to Financial Statements

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at March 31, 2019	9,785.39	2,216.28	18,195.57	33,380.12	988.93	1,243.14	2,497.38	68,306.81
Additions	-	-	1,396.64	3,743.45	60.68	340.59	604.04	6,145.40
Disposals	-	-	10.87	105.66	0.55	92.23	27.08	236.39
Reclassified on account of adoption of Ind AS 116	-	(2,216.28)	-	-	-	-	-	(2,216.28)
As at March 31, 2020	9,785.39	-	19,581.34	37,017.91	1,049.06	1,491.50	3,074.34	71,999.54
Additions	-	-	310.12	2,447.20	10.06	62.49	490.91	3,320.78
Disposals	-	-	6.77	144.69	12.56	166.01	65.79	395.82
As at March 31, 2021	9,785.39	-	19,884.69	39,320.42	1,046.56	1,387.98	3,499.46	74,924.50
Accumulated depreciation								
As at March 31, 2019	-	291.72	4,393.72	13,798.16	666.17	619.63	1,621.18	21,390.58
Charge for the year	-	-	1,257.00	3,797.42	82.65	246.55	454.01	5,837.63
Disposals	-	-	-	62.67	0.04	66.55	15.14	144.40
Reclassified on account of adoption of Ind AS 116	-	(291.72)	-	-	-	-	-	(291.72)
As at March 31, 2020	-	-	5,650.72	17,532.91	748.78	799.63	2,060.05	26,792.09
Charge for the year	-	-	1,215.55	3,507.39	67.74	216.62	537.44	5,544.74
Disposals	-	-	3.17	68.18	8.87	78.48	90.72	249.42
As at March 31, 2021	-	-	6,863.10	20,972.12	807.65	937.77	2,506.77	32,087.41
Net carrying value								
As at March 31, 2020	9,785.39	-	13,930.62	19,485.00	300.28	691.87	1,014.29	45,207.45
As at March 31, 2021	9,785.39	-	13,021.59	18,348.30	238.91	450.21	992.69	42,837.09

Notes:

- Contractual commitment towards purchase of property, plant and equipment, refer note - 45.
- Borrowing cost capitalized during the year is nil.
- The Company had adopted deemed cost exemption i.e. to continue with the carry value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP, as per Para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' on transition to Ind AS. Accordingly, carrying value of all of its property, plant and equipment as on transition date i.e. 1st April, 2015 was deemed as gross block as on that date with accumulated depreciation as Nil. During the previous year ended March 31, 2020, the Company has restated its gross block of property, plant and equipment as on March 31, 2017, March 31, 2018 and March 31, 2019 with corresponding adjustment in accumulated depreciation, to give effect to the exemption cited above which the Company had adopted on transition to Ind AS. This restatement as stated above, has no impact on net block of property, plant and equipment for the aforesaid years.
- A part of leasehold land, building and plant situated at Dahej, Gujarat has been leased out to group company Isgec Hitachi Zosen Limited for operation of its business.

The details of the assets lease out is given below:

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of Use asset		Total
	Land (Leasehold)	Buildings	
Gross carrying value			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	2,216.28	1,300.45	3,516.73
Additions	736.07	218.47	954.54
Deletions	-	-	-
As at March 31, 2020	2,952.35	1,518.92	4,471.27
Additions	-	-	-
Deletions	-	4.83	4.83
As at March 31, 2021	2,952.35	1,514.09	4,466.44
Accumulated depreciation			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	291.72	-	291.72
Charge for the year	75.91	301.41	377.32
Deletions	-	-	-
As at March 31, 2020	367.63	301.41	669.04
Charge for the year	81.74	303.09	384.83
Deletions	-	-	-
As at March 31, 2021	449.37	604.50	1,053.87
Net carrying value			
As at March 31, 2020	2,584.72	1,217.51	3,802.23
As at March 31, 2021	2,502.98	909.59	3,412.57

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total
Gross carrying value			
As at March 31, 2019	2,020.67	6,107.24	8,127.91
Additions	174.88	-	174.88
Disposals	-	-	-
As at March 31, 2020	2,195.55	6,107.24	8,302.79
Additions	98.74	-	98.74
Disposals	7.61	114.01	121.62
As at March 31, 2021	2,286.68	5,993.23	8,279.91
Accumulated amortisation			
As at March 31, 2019	1,428.49	2,867.65	4,296.14
Charge for the year	292.56	863.12	1,155.68
Disposals	-	-	-
As at March 31, 2020	1,721.05	3,730.77	5,451.82
Charge for the year	224.14	630.14	854.28
Disposals	6.59	31.38	37.97
As at March 31, 2021	1,938.60	4,329.53	6,268.13
As at March 31, 2020	474.50	2,376.47	2,850.97
As at March 31, 2021	348.08	1,663.70	2,011.78

Notes to Financial Statements

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)
Investment in equity instruments (at cost)						
Equity shares of subsidiary companies fully paid up (unquoted)						
Isgec Covema Limited	10	2,000,000	200.00	10	2,000,000	200.00
Isgec Exports Limited	10	100,000	10.00	10	100,000	10.00
Isgec Engineering & Projects Limited	10	4,000,000	400.00	10	4,000,000	400.00
Freelook Software Private Limited	10	24,650	1,306.45	10	24,650	1,306.45
Saraswati Sugar Mills Limited	10	7,099,900	7,009.99	10	7,099,900	7,009.99
Isgec Hitachi Zosen Limited	10	51,000,000	5,100.00	10	51,000,000	5,100.00
Isgec SFW Boilers Private Limited	10	1,020,000	102.00	10	1,020,000	102.00
Isgec Titan Metal Fabricators Private Limited	10	510,000	51.00	10	510,000	51.00
Isgec Redecam Enviro Solutions Private Limited	10	1,020,000	102.00	10	1,020,000	102.00
Eagle Press & Equipment Co. Limited, Canada	CAD1	4,500,000	2,643.05	CAD1	4,500,000	2,643.05
Isgec Investments PTE Ltd, Singapore	SGD1	10,000	5.20	SGD1	10,000	5.20
Total			16,929.69			16,929.69
Aggregate amount of quoted investments			-			-
Aggregate amount of unquoted investments			16,929.69			16,929.69
Aggregate amount of impairment in value of investments			-			-

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivables considered good - Secured		
- Loans to employees	187.50	276.73
Loans receivables considered good - Unsecured		
- Loan to subsidiary company	4,329.65	1,910.64
- Security deposit *	805.62	780.52
- Loans to employees	31.25	113.51
- Allowance for expected credit losses	(349.00)	-
Total	5,005.02	3,081.40

* includes balances with related parties (refer note 49)

Notes to Financial Statements

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

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

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

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

NOTE 10 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

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

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

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 12 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in mutual funds				
-Unquoted				
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	-	-	5,000,000	620.30
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	-	-	5,000,000	622.33
PGIM India Fixed Duration Fund - Series AB - Direct Plan - Growth	-	-	50,000	624.90
PGIM India Fixed Duration Fund - Series AE - Direct Plan - Growth	-	-	50,000	622.80
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	-	-	8,000,000	994.19
Nippon India Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	-	-	10,000,000	1,105.90
SBI Dual Advantage Fund-Series XIX-Regular-Growth	-	-	1,000,000	118.61
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	-	-	5,000,000	616.39
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	-	-	5,000,000	620.05
SBI Overnight Fund - Regular - Growth	63,268	2,100.08	-	-
		2,100.08		5,945.47
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund-Essel Finance		196.14		195.86
ASK Real Estate Special Opportunities Fund		622.50		605.76
ASK Real Estate Special Situations Fund		196.95		83.39
Edelweiss Real Estate Opportunities Fund (EROF)		109.02		176.16
Investcorp Score Fund		155.71		160.07
India Whizdom Fund		8.02		70.81
Indiabulls High Yield Fund		209.57		213.76
Indiabulls Dual Advantage Commercial Asset Fund		501.26		375.00
Nippon India Yield Maximiser Fund Scheme-I		32.19		59.70
Nippon India Yield Maximiser Scheme-III		200.73		312.85
		2,232.09		2,253.36
Total current investments (a + b)		4,332.17		8,198.83
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on NAV)		4,332.17		8,198.83
Aggregate amount of impairment in value of investments		-		-

Notes to Financial Statements

NOTE 13 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

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

* includes balances with related parties (refer note 49)

NOTE 14 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

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

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

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

NOTE 16 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 17 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

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

NOTE 18 : CURRENT TAX ASSETS (NET)

(₹ in lakhs)

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

NOTE 19 : OTHER CURRENT ASSETS

(₹ in lakhs)

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

* includes balances with related parties (refer note 49)

NOTE 20 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Authorised share capital (Equity shares of ₹ 1/- each with voting rights)	85,000,000	850.00	85,000,000	850.00
Issued, subscribed & paid up (Equity shares of ₹ 1/-each fully paid up with voting rights)	73,529,510	735.29	73,529,510	735.29
Total	73,529,510	735.29	73,529,510	735.29

Notes:

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

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each share holder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

Notes to Financial Statements

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	73,529,510	735.29	73,529,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	73,529,510	735.29	73,529,510	735.29

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) The Yamuna Syndicate Limited	33,084,798	45.00%	33,034,904	44.93%
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%

NOTE 21 : OTHER EQUITY

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Capital reserve		
Balance outstanding at the beginning of the year	0.01	0.01
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	0.01	0.01
(b) Capital redemption reserve		
Balance outstanding at the beginning of the year	3.24	3.24
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	3.24	3.24
(c) Securities premium		
Balance outstanding at the beginning of the year	450.22	450.22
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	450.22	450.22

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(d) General reserve		
Balance outstanding at the beginning of the year	17,439.54	17,439.54
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year	17,439.54	17,439.54
(e) Retained earnings		
Balance outstanding at the beginning of the year	128,422.62	116,088.95
Add: Net profit for the year	21,823.01	15,309.52
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post employment benefit obligation (net of tax) (refer note 21.1)	55.38	27.50
Less: Appropriations		
- Dividend for the year ended March 31, 2020 @ ₹ NIL per share of ₹ 1 each (for the year ended March 31, 2019 @ ₹ 1.50 per share of ₹ 1 each)	-	1,102.94
- Interim Dividend during the year ended March 31, 2021 @ ₹ 2/- per share of ₹ 1 each (during the year ended March 31, 2020 @ ₹ 2/- per share of ₹ 1 each)	1,470.59	1,470.59
- Dividend distribution tax	-	429.82
Balance outstanding at the end of the year	148,830.42	128,422.62
Total	166,723.43	146,315.63

Note 21.1: This is item of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

Note 21.2 : Nature and purpose of reserves:

Capital Reserve

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

Capital Redemption Reserve

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

Securities Premium

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

General Reserve

This represents appropriation of profit after tax by the company.

Retained Earnings

This comprise company's undistributed profit after taxes.

Notes to Financial Statements

NOTE 22 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

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

Note 22.1 - Terms of contract and repayment schedule for term loan from bank

(₹ in lakhs)

Balance	Loan amount outstanding	Current maturity	Long term	Rate of interest (p.a.)	Initial loan amount	Terms of repayment	Security
As at March 31, 2021	11,169.50	2,500.00	8,669.50	5.45%	11,169.50	The loans are repayable in 8 quarterly equal installment over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the company except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders.
As at March 31, 2020	-	-	-	-	-		
As at March 31, 2021	96.86	27.81	69.05	8.90% to 9.20%	132.46	The loans are repayable in 60 Equated Monthly Installment (EMI) and the last EMI of loan is payable in the month of October, 2024.	Hypothecation of respective vehicles.
As at March 31, 2020	119.97	27.81	92.16	-	-		

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

(₹ in lakhs)

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

NOTE 24 : LONG TERM PROVISIONS

(₹ in lakhs)

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

Note 24.1 : Provision for warranty

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

Notes to Financial Statements

Note 24.2 : Movement of provision for warranty

(₹ in lakhs)

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

NOTE 25 : DEFERRED TAX

25.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

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

25.2 : Movement in deferred tax Liabilities/deferred tax assets

(₹ in lakhs)

Particulars	Employee benefits deductible in future years	Property, plant and equipment	Right of use assets	Provision for expected credit losses		Fair valuation of investments	Fair valuation of security deposits	Others	Total
				Trade receivables	Loan to subsidiaries				
At March 31, 2019	1,217.58	(916.11)	-	588.57	-	(250.13)	(2.04)	-	637.87
(Charged)/Credited:-									
-to profit & loss	(375.52)	623.69	11.32	(158.44)	-	102.67	10.11	52.86	266.69
-to other comprehensive income	10.66	-	-	-	-	-	-	-	10.66
At March 31, 2020	852.72	(292.42)	11.32	430.13	-	(147.46)	8.07	52.86	915.22
(Charged)/Credited:-									
-to profit & loss	(38.92)	269.70	15.86	91.83	87.84	131.89	(3.64)	(52.86)	501.70
-to other comprehensive income	(18.63)	-	-	-	-	-	-	-	(18.63)
At March 31, 2021	795.17	(22.72)	27.18	521.96	87.84	(15.57)	4.43	-	1,398.29

Notes to Financial Statements

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

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

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

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

Note: 27.1 Secured by hypothecation of inventories and by a charge on book debts and other assets of the company, in favor of working capital consortium bankers on pari passu basis.

Note: 27.2 Repayable on demand. Rates of Interest varied from 7.10% to 9.55% during the above periods.

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

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

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

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

* includes balances with related parties (refer note 49)

Note 28.1 : Trade payables to micro and small enterprises

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

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	8,864.86	1,574.61
- interest	16.04	9.54
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	-	10.41
(e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23	-	-

NOTE 29 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

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

* includes balances with related parties (refer note 49)

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

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

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

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

Note 32.1 : Other operating revenues

(₹ in lakhs)

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

NOTE 33 : OTHER INCOME

(₹ in lakhs)

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

Notes to Financial Statements

(₹ in lakhs)

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

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

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

Note 34.1 : Details of raw materials and components consumed

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

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

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

(₹ in lakhs)

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

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

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

NOTE 37.1 : ADDITIONAL INFORMATION AS PER IND AS 19, EMPLOYEE BENEFITS

(a) Defined Contribution Plan

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

(₹ in lakhs)

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

Notes to Financial Statements

(b) Defined Benefits Plan

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

The obligations are as under:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	6,841.86	6,291.14
b. Interest cost	465.25	481.90
c. Current service cost	520.18	551.56
d. Benefits paid	(964.72)	(401.10)
e. Actuarial (gain) / loss	(266.13)	(81.64)
f. Present value of obligation at the end of the year	6,596.44	6,841.86
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	6,404.10	6,336.61
b. Expected Interest Income	435.48	485.38
c. Actuarial gain/(loss) for the year on asset	(192.12)	(64.81)
d. Contributions	682.19	63.78
e. Mortality, admin and FMC charges	(19.23)	(15.76)
f. Benefits paid	(964.72)	(401.10)
g. Fair value of plan assets at the end of the year	6,345.70	6,404.10
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	6,345.70	6,404.10
b. Present value of obligation at the end of the year	6,596.44	6,841.86
c. Amount recognised in the balance sheet	(250.74)	(437.76)
- Current	(250.74)	(437.76)
iv. Expenses recognised in the statement of profit & loss		
a. Current service cost	520.18	551.56
b. Interest cost	465.25	481.90
c. Expected return on plan assets	(435.48)	(485.38)
d. Expenses recognised in the profit & loss	549.95	548.08
v. Recognised in other comprehensive income for the year		
a. Net cumulative unrecognized actuarial gain/(loss) opening	(351.39)	(368.23)
b. Actuarial gain/(loss) for the year on present benefit obligation	266.13	81.64
c. Actuarial gain/(loss) for the year on assets	(192.12)	(64.80)
d. Unrecognized actuarial gain/(loss) at the end of the year	(277.38)	(351.39)
vi. Actuarial assumptions		
a. Discount rate (per annum)	6.80%	6.80%
b. Rate of escalation in salary (per annum)	6.50%	6.50%



Notes to Financial Statements

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

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Defined benefit obligation	6,596.44	6,841.86
Plan assets	6,345.70	6,404.10
Surplus / (deficit)	[250.74]	[437.76]

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

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

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

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

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(f) Major category of plan asset (as percentage of total plan asset)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
Fund managed by insurer	100%	100%

Notes to Financial Statements

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Rate (%)	Rate (%)
a) Discount rate	6.80	6.80
b) Future salary increase*	6.50	6.50
c) Retirement age (years)	60	60
d) Ages (withdrawal rate %)		
- Up to 30 Years	3	3
- From 31 to 44 Years	2	2
- Above 44 Years	1	1

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

(h) Mortality rate (gratuity and leave salary)

	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
Mortality rate for specimen ages	15	0.000698	45	0.002579	75	0.038221
	20	0.000924	50	0.004436	80	0.061985
	25	0.000931	55	0.007513	85	0.100979
	30	0.000977	60	0.011162	90	0.163507
	35	0.001202	65	0.015932	95	0.259706
	40	0.001680	70	0.024058	100	0.397733

(i) Defined Benefits Plan : Provident fund

The Company during the year has treated contribution to the recognised provident fund trust for its employees which is operated by the Company, as a defined benefit plan instead of defined contribution plan being followed hitherto. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (March 31, 2020: ₹ Nil) as worked out by the actuary has been allocated to the entity based on the corpus value of the entity as at March 31, 2021.

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

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Discounting rate	6.80%	6.80%
Expected guaranteed interest rate	8.50%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1483.06 lakhs for provident fund during the year ended March 31, 2021 (March 31, 2020: ₹ 1476.83 lakhs).

Notes to Financial Statements

NOTE 38 : FINANCE COSTS

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

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

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

NOTE 40 : OTHER EXPENSE

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

Notes to Financial Statements

NOTE 40.1: CORPORATE SOCIAL RESPONSIBILITY

a) Contribution during the year ended March 31, 2021

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

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

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

c) Details of related party transactions :

- i) Contribution during the year ending March 31, 2021 - Nil (Previous year Nil)
- ii) Payable as at March 31, 2021 - Nil (Previous year Nil)

NOTE 41 : TAX EXPENSE

A. Income tax expense

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

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

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



Notes to Financial Statements

NOTE 42 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Net profit available to equity shareholders (₹ in lakhs)	21,823.01	15,309.52
b) Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	73,529,510	73,529,510
c) Nominal value of equity share (in ₹)	1.00	1.00
d) Basic earnings per share (in ₹)	29.68	20.82
e) Diluted earnings per share (in ₹)	29.68	20.82

NOTE 43 : CONTINGENT LIABILITIES

(₹ in lakhs)

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

NOTE 44 : CORPORATE GUARANTEES

(₹ in lakhs)

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

NOTE 45 : COMMITMENTS

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 46 : LEASES

A. Company as a lessee

The Company has taken various residential / commercial premises and plant and machinery under short term leases. In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' the lease rent charged to statement of profit & loss for the year are:

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

The balance sheet shows the following amounts relating to leases:

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	296.68	252.79
Non-current	720.91	1,009.70
Total	1,017.59	1,262.49

The following is the movement in lease liabilities:

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

Notes to Financial Statements

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

(₹ in lakhs)

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

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 535.75 lakhs for the year ended March 31, 2021 (Previous year ₹ 412.47 lakhs).

B. Company as a Lessor

The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' disclosure of a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Not later than one year	3,008.42	2,904.72
(ii) Later than one year and not later than five years	132.84	2,924.22
(iii) Later than five years	108.00	5.04
Total	3,249.26	5,833.98

NOTE 47 : SEGMENT INFORMATION

The Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

- a) Manufacturing of Machinery and Equipment Segment
- b) Engineering, Procurement and Construction Segment

Composition of the Segments consists of:

Manufacturing of Machinery & Equipment Segment comprising manufacture of Process Plant Equipments, Presses, Castings, Boiler Tubes & Panels and Containers.

Engineering, Procurement and Construction Segment consists of Projects and Turnkey Solutions for Sugar Plants, Distilleries, Power Plants, Boilers, Air Pollution Control Equipments, Buildings and Factories.

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

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

Notes to Financial Statements

1 Segment Revenue

(₹ in lakhs)

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

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

(₹ in lakhs)

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

3 Segment Assets and Liabilities

(₹ in lakhs)

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

4 Other information

(₹ in lakhs)

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



Notes to Financial Statements

5 Geographical Information

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

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-current assets		
- Within India	49,252.72	52,875.34
- Outside India	-	-
Total	49,252.72	52,875.34

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

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

a. Disaggregated revenue information

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

Notes to Financial Statements

b. Trade receivables and Contract Customers

(₹ in lakhs)

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

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 2,073.91 lakhs was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

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

(₹ in lakhs)

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

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Disclosure of the entity's remaining performance obligations:		
(a) The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	541,947.86	533,987.79
(b) When the entity expects to recognise as revenue		
Within one year	61.78%	60.29%
Within two years	32.17%	34.53%
Within five years	6.05%	5.18%
Thereafter	-	-

Notes to Financial Statements

NOTE 49 : DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES

A. List of Related Party

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2021	As at March 31, 2020
(i)	Holding Company	None		
(ii)	Subsidiaries			
1	Saraswati Sugar Mills Limited	India	100	100
2	Isgec Covema Limited	India	100	100
3	Isgec Exports Limited	India	100	100
4	Isgec Engineering & Projects Limited	India	100	100
5	Freelook Software Private Limited	India	100	100
6	Eagle Press & Equipment Co. Limited	Canada	100	NIL
7	Isgec Investments PTE Ltd	Singapore	100	NIL
8	Isgec Hitachi Zosen Limited	India	51	51
9	Isgec SFW Boilers Private Limited	India	51	51
10	Isgec Titan Metal Fabricators Private Limited	India	51	51
11	Isgec Redecam Enviro Solutions Private Limited	India	51	51
	Stepdown subsidiaries of :			
	- Eagle Press & Equipment Co. Limited			
a)	Eagle Press America Inc.			
b)	21917375 Ontario Inc.			
	- Isgec Investments PTE Ltd			
a)	Bioeq Energy Holdings One			
b)	Bioeq Energy Pte. Ltd.			
c)	Bioeq Energy B.V			
d)	Bioeq Energy Holdings Corp.			
e)	Bukid Verde Inc.			
f)	Cavite Biofuels Producers Inc.			
(iii)	Associates			
	Stepdown associate of Bioeq Energy Holdings Corp.			
1	Penwood Project Land Corp.			
(iv)	Entities over which key management personnel can exercise significant influence			
1	The Yamuna Syndicate Ltd.			
2	Kamla Puri Charitable Trust			
3	Kamla Puri Charitable Foundation			
4	Blue Water Enterprises			
(v)	Key Management Personnel	Designation		
1	Mr. Aditya Puri	Managing Director		
2	Mrs. Nina Puri *	Whole-time Director		
3	Mr. Ranjit Puri	Chairman		

Notes to Financial Statements

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

Notes to Financial Statements

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

(₹ in lakhs)

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

Notes to Financial Statements

(₹ in lakhs)

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

Notes to Financial Statements

(₹ in lakhs)

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

^ The post employment benefits exclude provision for gratuity and leave encashment which can not be separately identified from the composite amount as advised by the actuary.

C. Amount due to / from related parties

(₹ in lakhs)

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

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2021	As at March 31, 2020
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	0.17	3.43
	- Key management personnel		
	Mr. Aditya Puri (Managing Director)	310.80	1,138.02
	Mrs. Nina Puri (Wholetime Director) *	312.60	1,141.36
	Mr. Ranjit Puri (Chairman)	0.23	0.23
	Mr. Vinod Kumar Nagpal #	0.11	0.23
	Mr. Tahir Hasan #	0.11	0.23
	Mr. Arun Kathpalia #	0.11	0.23
	Mr. Vinod Kumar Sachdeva #	0.11	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Shivani Hazari	0.23	0.23
	Total	1,854.76	2,863.48
	* Director retired on March 31, 2021		
	# Directors retired on September 18, 2020		
2	Amount receivable as at year end		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	7,514.55	3.20
	Isgec Hitachi Zosen Limited	1,266.30	184.60
	Isgec SFW Boilers Pvt. Ltd.	-	48.26
	Isgec Titan Metal Fabricators Pvt. Ltd.	321.41	562.02
	Isgec Redecam Enviro Solutions Pvt. Ltd.	225.24	244.60
	Eagle Press & Equipment Co. Limited	336.36	354.31
	Isgec Investments PTE Ltd	132.75	-
	Isgec Covema Limited	265.20	16.71
	Cavite Biofuels Producers Inc.	25,622.21	25,599.83
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	15.90	15.90
	The Yamuna Syndicate Ltd.	-	0.20
	Total	35,699.92	27,029.63
3	Investment as at year end		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	7,009.99	7,009.99
	Isgec Covema Limited	200.00	200.00
	Isgec Exports Limited	10.00	10.00
	Isgec Engineering & Projects Limited	400.00	400.00
	Freelook Software Private Limited	1,306.45	1,306.45
	Eagle Press & Equipment Co. Limited	2,643.05	2,643.05
	Isgec Investments PTE Ltd	5.20	5.20
	Isgec Hitachi Zosen Limited	5,100.00	5,100.00
	Isgec SFW Boilers Private Limited	102.00	102.00
	Isgec Titan Metal Fabricators Private Limited	51.00	51.00
	Isgec Redecam Enviro Solutions Private Limited	102.00	102.00
	Total	16,929.69	16,929.69

Notes to Financial Statements

D. Terms and Conditions

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

E. Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

S.no	Name of the Company	Balance as at		Maximum outstanding during the year ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Loans and advances in the nature of loans given to subsidiaries:				
1	Isgec Investments PTE Ltd	3,169.15	1,089.72	3,169.15	1,089.72
2	Eagle Press & Equipment Co. Limited	1,160.50	812.58	1,160.50	812.58
3	Saraswati Sugar Mills Limited	-	-	-	4,550.00

NOTE 50 : FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in lakhs)

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

* FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

Notes to Financial Statements

(i) Fair value hierarchy

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

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

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

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

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

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

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2020	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets and liabilities at fair value through profit or loss				
Financial assets				
Investments				
-Investments in mutual funds	5,945.47	5,945.47	-	-
-Other investments	2,253.36	-	2,253.36	-
Foreign currency forward contracts	1,295.18	-	1,295.18	-
Total	9,494.01	5,945.47	3,548.54	-
Financial liabilities				
Forward contracts	1,295.18	-	1,295.18	-
Total	1,295.18	-	1,295.18	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020				
Financial Assets				
Loan to Employees	390.24	-	-	390.24
Security Deposit	780.52	-	-	780.52
Total	1,170.76	-	-	1,170.76
Financial Liabilities				
Borrowings	34,123.91	-	-	34,123.91
Lease liability	1,262.49	-	-	1,262.49
Other financial liabilities	128.27	-	-	128.27
Total	35,514.67	-	-	35,514.67

Notes to Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2021	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets at fair value through profit or loss				
Financial assets				
Investments				
-Investments in mutual funds	2,100.08	2,100.08	-	-
-Other investments	2,232.09	-	2,232.09	-
Foreign currency forward contracts	302.69	-	302.69	-
Total	4,634.86	2,100.08	2,534.78	-
Financial liabilities				
Forward contracts	302.69	-	302.69	-
Total	302.69	-	302.69	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2021				
Financial Assets				
Loan to Employees	218.75	-	-	218.75
Security Deposit	805.62	-	-	805.62
Total	1,024.37	-	-	1,024.37
Financial Liabilities				
Borrowings	19,883.86	-	-	19,883.86
Lease liability	1,017.59	-	-	1,017.59
Other financial liabilities	88.04	-	-	88.04
Total	20,989.49	-	-	20,989.49

(ii) Valuation techniques used to determine fair value

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

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

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

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

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

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

Notes to Financial Statements

NOTE 51 : FINANCIAL RISK MANAGEMENT

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

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

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

(a) Interest rate risk

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

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

(₹ in lakhs)

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

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

(₹ in lakhs)

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

(iii) Sensitivity

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

(₹ in lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	+50	+50	3.21	3.06
	-50	-50	-3.21	-3.06

Notes to Financial Statements

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and the Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

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

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

(₹ in lakhs)

Particulars	Against exposure in			
	USD	Euro	Others	Total
Foreign currency exposure as at March 31, 2021				
Trade receivables	51,468.52	1,850.49	294.18	53,613.19
Other receivables *	14,911.82	-	-	14,911.82
Loans and other advances	-	-	4,516.42	4,516.42
Bank balances in current accounts and term deposits accounts	1.36	0.01	19.39	20.76
Trade payables	3,061.28	1,152.51	33.52	4,247.31
Hedged Portion	38,769.46	2,971.43	317.72	42,058.61
Net Exposure to foreign currency risk	30,673.52	31.58	4,545.79	35,250.89
Foreign currency exposure as at March 31, 2020				
Trade receivables	52,322.58	3,733.00	179.61	56,235.19
Other receivables *	15,376.03	-	-	15,376.03
Loans and other advances	-	-	1,963.42	1,963.42
Bank balances in current accounts and term deposits accounts	1.41	0.01	18.96	20.38
Trade payables	4,639.78	760.77	1.05	5,401.60
Hedged Portion	40,593.18	4,318.17	1.05	44,912.40
Net Exposure to foreign currency risk	31,746.62	175.61	2,161.99	34,084.22

* This amount is recoverable against refund of Bank Guarantee invoked by a customer, Cavite Biofuel Producers Inc (CBPI). Subsequently, CBPI has been acquired by one of our subsidiary companies on 3rd October 2019.

Foreign currency sensitivity

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

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

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(c) Price Risk

The Company's exposure to price risk arises from the investment held by the Company. To manage its price risk arising from investments in marketable securities, the Company diversifies its portfolio and is done in accordance with the Company policy. The Company's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

Notes to Financial Statements

II. Credit risk

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

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

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

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

Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Particulars	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2019					
Gross Carrying Amount	114,176.39	31,415.24	17,736.23	23,069.37	186,397.23
Expected Credit Loss	-	26.60	474.38	1,183.34	1,684.32
Carrying Amount (net of impairment)	114,176.39	31,388.64	17,261.85	21,886.03	184,712.91
As at March 31, 2020					
Gross Carrying Amount	118,395.83	43,140.66	6,005.20	42,410.66	209,952.35
Expected Credit Loss	-	-	52.13	1,656.92	1,709.05
Carrying Amount (net of impairment)	118,395.83	43,140.66	5,953.07	40,753.74	208,243.30
As at March 31, 2021					
Gross Carrying Amount	147,998.01	48,199.38	6,320.77	51,347.26	253,865.42
Expected Credit Loss	-	-	19.39	2,054.52	2,073.91
Carrying Amount (net of impairment)	147,998.01	48,199.38	6,301.38	49,292.74	251,791.51

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

Notes to Financial Statements

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

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

III. Liquidity Risk

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

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

(₹ in lakhs)					
As at March 31, 2021	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	19,883.86	642.50	10,502.81	8,738.55	19,883.86
Trade payables	145,144.12	-	145,144.12	-	145,144.12
Lease liability	1,017.59	-	296.68	720.91	1,017.59
Other Liabilities	3,425.15	-	3,337.11	88.04	3,425.15
Total	169,470.72	642.50	159,280.72	9,547.50	169,470.72

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

Financing arrangements

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

(₹ in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Bank overdraft and other facilities	51,382.50	30,501.52

Notes to Financial Statements

NOTE 52 : CAPITAL MANAGEMENT

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

(₹ in lakhs)

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

Notes-

- (i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in note 22, 27 and 29.
- (ii) Total equity (as shown in balance sheet) includes issued capital and other equity.

(b) Loan Covenants

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

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

(C) Dividends

(₹ in lakhs)

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

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

Notes to Financial Statements

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

₹ in lakhs

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

5	Investment	Face Value (₹ per Share / Unit)	No. of Shares/ Units	Amount
	a) Equity Shares of Subsidiary Companies (At cost) :			
	Isgec Covema Limited	10	2000000	200.00
	Isgec Exports Limited	10	100000	10.00
	Isgec Engineering & Projects Limited	10	4000000	400.00
	Saraswati Sugar Mills Limited	10	7099900	7,009.99
	Freelook Software Private Limited	10	24650	1,306.45
	Eagle Press & Equipment Co. Ltd. Canada	CAD 1	4500000	2,643.05
	Isgec Investments PTE Ltd. Singapore	SGD 1	10000	5.20
	Isgec Hitachi Zosen Limited	10	5100000	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited	10	1020000	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	1020000	102.00
	b) Loans to Subsidiaries :			
	Isgec Investments PTE Ltd. Singapore			3,169.15
	Eagle Press & Equipment Co. Ltd. Canada			1,160.50
	Total :			21,259.34
	Grand Total :			84,819.32

NOTE 54 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

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

Notes to Financial Statements

NOTE 55 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under :-

Sr. No.	Particulars	Description	
a)	Products covered for Cost Audit	Ingots and Manufactured items of Engineering Machinery	
b)	Full Particulars of Cost Auditor	M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Rajnagar, Ghaziabad, Uttar Pradesh - 201 002	
c)	Filing of Cost Audit Report	Year ended March 31, 2021	Year ended March 31, 2020
	i) Due Date of Filing of Cost Audit Report	27.09.2021	27.09.2020
	ii) Actual Date of Filing Cost Audit Report	Not Yet Due	05.08.2020

NOTE 56 : IMPACT OF COVID 19 (GLOBAL PANDEMIC)

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material on long term basis based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products and services. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these standalone financial results.

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

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

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For & on behalf of the Board of Directors

CA Abhinav Khosla
Partner
M. No.: 087010

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : June 28, 2021

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194