



ISGEC HEAVY ENGINEERING LTD.

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Ho-425-S

August 16, 2016

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

Dear Sir,

(Scrip Code : 533033, Scrip Id: ISGEC)

Subject: Copy of Annual Report for the financial year 2015-16 approved and adopted in
the Annual General Meeting.

In Compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of Annual Report for the financial year 2015-2016 duly approved and adopted by the members in the Annual General Meeting held on August 10, 2016 as per the provision of the Companies Act, 2013.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For ISGEC Heavy Engineering Limited

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

Encl: As above.



ISGEC HEAVY
ENGINEERING LTD.



ANNUAL REPORT



Reports & Accounts for the year ended 31st March 2016



**ENGINEERING
FOR
EXCELLENCE**

ANNUAL REPORT 2015-16**BOARD OF DIRECTORS****Directors**

Mr. Vinod K. Nagpal
Mr. Tahir Hasan
Mr. Vinod Kumar Sachdeva
Mr. Arun Kathpalia
Mr. Sidharth Prasad

Whole-time Director

Mrs. Nina Puri

Managing Director

Mr. Aditya Puri

Chairman

Mr. Ranjit Puri

Audit Committee

Mr. Vinod K. Nagpal - Chairman
Mr. Arun Kathpalia
Mr. Aditya Puri

Executive Director &

Mr. S.K. Khorana

Company Secretary**Chief Financial Officer**

Mr. Kishore Chatnani

Bankers

State Bank of Patiala
Standard Chartered Bank
State Bank of India
Corporation Bank
Punjab National Bank
The Hongkong & Shanghai Banking Corporation Ltd.
ICICI Bank Ltd.
State Bank of Mysore
Citibank N. A.
Kotak Mahindra Bank Ltd.
State Bank of Hyderabad
HDFC Bank Ltd.
Yes Bank Ltd.
IndusInd Bank Ltd.
Export Import Bank of India

Registered Office

Radaur Road,
Yamunanagar-135001
Haryana, India

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Board's Report

1.00 The Board hereby presents its Report for the year ended 31st March 2016.

2.00 FINANCIAL SUMMARY:

| Particulars | | (₹ in lacs) | |
|-------------|---|--|--|
| | | As at 31.03.2016 | As at 31.03.2015 |
| I. | EQUITY AND LIABILITIES: | | |
| | Shareholders' Funds | 92,605.42 | 76,976.06 |
| | Non-Current Liabilities | 28,267.72 | 30,796.04 |
| | Current Liabilities | 2,17,270.63 | 1,77,075.25 |
| | Total | 3,38,143.77 | 2,84,847.35 |
| II. | ASSETS: | | |
| | Fixed Assets | 47,047.46 | 40,978.80 |
| | Other Non-current Assets | 15,934.20 | 14,877.83 |
| | Current Assets | 2,75,162.11 | 2,28,990.72 |
| | Total | 3,38,143.77 | 2,84,847.35 |
| | | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
| III. | Revenue from Operations & Other Income | 3,92,752.00 | 3,31,973.51 |
| IV. | Total Expenses | 3,66,239.56 | 3,10,141.53 |
| V. | Profit Before Tax | 26,512.44 | 21,831.98 |
| VI. | Tax Expenses | 9,113.12 | 7,512.61 |
| VII. | Profit After Tax | 17,399.32 | 14,319.37 |
| VIII. | Dividend including Tax | 1,769.96 | 1,767.30 |
| IX. | Transfer to General Reserve | - | 1,431.94 |
| X. | Balance carried to Profit & Loss Account | 15,629.36 | 11,120.13 |
| XI. | Basic/Diluted Earning per Share of ₹ 10 each (₹) | 236.63 | 194.74 |

3.00 DIVIDEND:

3.01 In the month of January, 2016 the Company declared an Interim Dividend of ₹ 10/- per share. Your Directors are pleased to recommend a Final Dividend of ₹ 10/- per share aggregating ₹ 20/- per share (inclusive of interim and final) for the current financial year. The Final Dividend if approved and declared in the forthcoming Annual General Meeting, would result in a total outflow of ₹ 884.98 lacs, including the Dividend Distribution Tax.

4.00 STATE OF COMPANY AFFAIRS AND OPERATIONS:

4.01 The adverse economic conditions continued to prevail during the year under report. Capital investment was low and competition was intense. In spite of this, your Company has grown, both in revenue as well as in profits, due to continued and intensive efforts towards up-gradation of technology, value engineering, cost control and increase in productivity.

4.02 The order book at the close of the year was healthy. The Company could sustain and also improve market share in most of its business lines.

4.03 Focus on exports continued during the year. The efforts include participation in various Industrial Exhibitions and Conferences in India and overseas. The Company could enter into new countries and increase the order booking due to these efforts. Export turnover was, however, marginally lower than last year.

BOILERS:

4.04 The first Pulverized Coal Fired Boiler of 180 MW was commissioned in June 2015. The customer is highly satisfied.

4.05 Your Company continues to maintain its leading position in the range of Boilers that it operates in.

4.06 With the commissioning of three Waste Heat Recovery Boilers, during the year under report, the Company has successfully entered into the Waste Heat Recovery Boiler market.

4.07 The first order for a Pin Hole Grate Biomass Boiler was executed during the year and is working well.

4.08 The Company has also secured its first order for Re-Heat type Circulating Fluidized Bed Combustion (CFBC) Boiler. This is likely to be commissioned early next year.

4.09 As reported in last year's report, the Government has decided to implement "Zero Effluent Discharge" Policy for Distilleries. The Company has booked many orders for Slop (Highly Polluting Distillery Effluent) Fired Boilers. Three of the Slop Fired Boilers supplied by the Company have successfully operated during the year. This is a promising line for the future.

4.10 In order to reduce rework, both in-house and at site, the Company has started making 3-Dimensional Drawings. The Company participated in a competition and its 3-Dimensional Drawings model project namely, SIDI Bennour, Morrocco was selected for "The Innovation in Power Generation of the 2015 Be Inspired Awards" from Bentley Sustaining Infrastructure, United States of America.

4.11 With technology from Envirotherm GmbH, Germany, your Company has supplied 45 Electrostatic Precipitators (ESP) during the year. The ESPs supplied include the largest ESP for the 180 MW PC Boiler and the same is working well.

SUGAR PLANTS & MACHINERY:

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

4.13 The Company successfully commissioned seven Complete Sugar Plants during the year under report.

4.14 The Company completed a project consisting of Sugar Plant of 3500 Tonnes Per Day capacity and 15 Mega Watt Co-generation Plant on a turnkey basis, including civil work, in a record time of little over 11 months.

4.15 The Company has also entered into supplying of Sugar Refinery projects and two such projects are under execution.

4.16 Supply of Bio-Ethanol (Distillery) projects is turning out to be a promising line. Three such projects are under execution.

4.17 The Company continues to focus on Spares, Repairs & Maintenance and Operation & Management business for Boilers and Sugar Plants and has booked substantial orders.

EPC POWER PLANTS:

4.18 Your Company has achieved leadership position in the Indian market. It has also secured orders from the overseas market. Three such orders are under execution.

4.19 As Captive Power Generation capacity addition continues to be on a decline, the Company has taken steps to enter into EPC work for Railways, Waste Water Treatment Plants and Bulk Material Handling for Mines and Ports.

PRESSES & CONTRACT MANUFACTURING:

- 4.20 The Automobile Sector, the main user industry for Presses, remained stagnant both in India and abroad during the year. However, the Company could retain its market share in the domestic market.
- 4.21 Due to sustained efforts in developing the export market, particularly in North America where the Company has its own representative, it could book substantial export orders during the year under report.
- 4.22 The first CNC Vertical Turning Lathe Machine is expected to be delivered during the current year.
- 4.23 The Company could secure good orders for Contract Manufacturing of sophisticated equipment to be supplied to the Indian Railways.
- 4.24 The Company entered into a Collaboration Agreement with Neuson Hydrotec GmbH, GaisbergerstraBe 52, 4030 Linz, Austria for manufacture and sale of Nosing Press Plant, Forging Plant, Forging Complex Press and Straightening Press.

PROCESS EQUIPMENT:

- 4.25 The fall in crude prices caused a slow down in the demand for Process Equipment for the Oil & Gas Sector. The diversification in the product range helped securing substantial orders from domestic as well as export markets for Fertilizer Plants. In order to offer faster delivery, the Company added equipments to de-bottleneck the plant.
- 4.26 The Company successfully manufactured Low Pressure and Medium Pressure Decomposers for the Fertilizer Industry. In addition, the Company, for the first time, supplied Chain Type Heat Exchangers for a Fertilizer Plant and also Low Pressure Heaters for the Nuclear Power Corporation of India Limited.

TUBING AND PIPING:

- 4.27 The Company continues to do well in the Tubing & Piping business. The Company increased its Piping manufacturing capacity substantially. In order to cater to the high end market including the Oil & Gas sectors, the Company installed a Cold Pipe Bending Machine to bend pipes up to 200 nb (nominal bore) x 25 mm thick. An Induction Bending Machine for bending 600 nb (nominal bore) x 60 mm thick pipes is expected to be installed in the second quarter of the current year.

CONTAINERS:

- 4.28 The Company continues to have substantial market share in India and abroad and is doing well. The Company supplied a record number of Containers during the year.

IRON FOUNDRY:

- 4.29 The Iron Foundry, which manufactures specialized Ferrous and Gray Iron Castings, secured substantial orders and it has a record order book. The expansion scheme started last year was completed during the year on time. The Company started exports last year and this has shown high potential. More orders have been booked during the year under report.

STEEL FOUNDRY:

- 4.30 The Steel Castings market remained depressed for most of the year. In the latter part of the year some of the projects in Steam and Hydro sector took off. This resulted in the booking of good orders.
 - 4.31 The thrust on Pumps and Valve Castings enabled the Company to book good orders from this Sector.
 - 4.32 The Company could book development orders for Nodular Iron Pedestals from BHEL, which are being manufactured in India for the first time.
-

4.33 The export market has been dull as the European customers also struggled for business.

4.34 The Company is developing exotic grades such as Duplex, Super Duplex and Nickel based Alloys, for increasing its market share.

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

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

(i) The imbalance between sugarcane prices and sugar prices continued during the year under report and the Company suffered a loss of ₹ 15.37 crores during the year. It may be pertinent to note that unless sugarcane prices and sugar prices are linked, the Sugar Sector will continue to be in a difficult situation.

Season 2015-16:

(ii) As the situation was not good, your Company represented, both by way of letters written to the Haryana Government and also personally at the meetings of Sugarcane Control Board as well as with the officials of the Haryana Government, that the factory would not buy sugarcane in case the amount payable by the Mills towards cane price was more than its capacity to pay. Similar representations were made by all the sugar mills in Haryana.

(iii) This led to uncertainty among the farmers and affected the planting of sugarcane.

(iv) Realizing the difficult position, the Haryana Government did not increase the State Advised Sugarcane price. The Industry was also successful, indirectly, in linking the sugarcane prices with sugar prices. Depending on the price of sugar every month, the mills were required to disburse a portion of sugarcane price themselves and the balance portion was to be disbursed after receipt of an equivalent amount as interest free loan from the Haryana Government. The repayment of loan is to be made annually to the extent of 30% of the net profit every year. The Haryana Government agreed to treat the portion of the loan remaining unpaid after a period of 10 years as subsidy.

(v) The Haryana Government also promised remission of Purchase Tax.

(vi) Based on the above decisions of the Haryana Government, your factory started crushing operations on 28th November, 2015.

(vii) The working of the sugar factory during the season was excellent. Statistical position is given below:

| Particulars | Sugar Season (October to September) | |
|---|--|---------|
| | 2015-16 | 2014-15 |
| All India Production of Sugar (Lac Tonnes) | *253 | 284 |
| All India Consumption of Sugar (Lac Tonnes) | *255 | 250 |
| Production of Sugar by Saraswati Sugar Mills (Lac Tonnes) | 1.37 | 1.56 |
| Cane Crush by Saraswati Sugar Mills (Lac Tonnes) | 11.91 | 14.39 |
| Recovery (%) | 11.55 | 10.95 |

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

Source: Indian Sugar Mills Association.

(viii) Your Company has cleared all the cane dues except an amount of ₹ 45 crores. This will be disbursed on receipt of loan (as described above) from the Haryana Government. A representation has been made to the Haryana Government for early disbursement to avoid hardship to the farmers.

- (ix) The Central Government, in order to improve sugar prices, notified the Minimum Indicative Export Quota (MIEQ) Scheme for export of a minimum quantity of sugar by each factory from 1st October 2015 to 30th September 2016. The Central Government also notified a scheme for extending Production Subsidy @ ₹ 4.50 per quintal of cane crushed during the Season 2015-16 to enable factories to clear cane arrears. The payment of subsidy was subject to export of at least 80% of the quota notified under the MIEQ Scheme.
- (x) Due to drought conditions prevailing in sugar producing States, the estimated production for the season is less than the production estimated at the beginning of the season. There has been export of some sugar under the MIEQ Scheme. This has resulted in increase in the sugar prices in the last few months. The Government of India, therefore, vide Notification dated 19th May 2016 has withdrawn the Production Subsidy Scheme with immediate effect.
- (xi) The Industry understands that there is no further obligation to export under MIEQ Scheme and also that the Production Subsidy will be disbursed proportionately to the sugar exported till 19th May, 2016.

Season 2016-17:

- (xii) In various meetings held with the Haryana Government officials and also by written submissions, the Company has impressed upon the Haryana Government to find a long term solution and decide a methodology for linking sugarcane price with sugar price so that the factory can take decisions about bonding of cane and start of crushing operations for the coming season.
- (xiii) It has further been stated that decision should be made at the earliest in the interest of both the farmers, as well as the factories.

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

- (i) The Joint Venture Company made a reasonable profit during the year in spite of a lower turnover.
- (ii) The Company started the year with a lower order book as compared with the previous year and it was under loaded in the first quarter and part of the second quarter. However, some of the orders, booked with shorter cycle time, could be dispatched resulting in full utilization of capacity for the latter part of the year.
- (iii) During the year the Joint Venture Company, for the first time, successfully supplied several critical equipment such as Ammonia Converter as per Haldor Topsoe Process for a Refinery, Carbamate Condenser for the Fertilizer Industry and Hydro Processing Reactor as per CLG (Chevron Lummus Global) Process for the Petroleum Industry.
- (iv) As for the current year, due to substantial orders booked by the Company in the recent past, the order book is looking good. The important orders include orders for a Reactor in Vanadium Modified Material for a Refinery, one Urea Reactor and one Carbamate Condenser as per Casale Process for a Fertilizer Plant and a repeat order from Toyo for a Urea Reactor and Stripper for an overseas project.

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

- (i) The Joint Venture with Titan Metal Fabricators, a US company, has been formed to manufacture Heat Exchangers, Vessels and other related products in exotic metals such as Titanium, Tantalum, Zirconium, Niobium and Hastelloy.
- (ii) Until the volume of manufacturing increases, the equipments will be manufactured in your Company. The reimbursement of the cost of manufacture and the sharing of profit will be in accordance with an agreed formula provided in the Joint Venture Agreement.
-

(iii) The first order has been booked and is likely to be supplied by June 2016.

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

(i) Your Company has multiple Collaboration Agreements with Amec Foster Wheeler of USA. The Joint Venture was formed for doing the engineering services for both Isgec, as well as Foster Wheeler.

(ii) In absence of any project for which engineering services were required, the Joint Venture Company did not commence any activity.

(iii) Amec Foster Wheeler is likely to be awarded a major project and the engineering activity may have to be undertaken by the Joint Venture Company during the current year.

E) OTHER WHOLLY OWNED SUBSIDIARY COMPANIES:

(i) Free Look Software Private Limited & Isgec Exports Limited:

There was no commercial activity during the year.

(ii) Isgec Engineering & Projects Limited:

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

(iii) Isgec Covema Limited:

The Company executed one construction project during the year.

6.00 EXTRACT OF ANNUAL RETURN:

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

7.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

7.01 The Board met four times in the financial year 2015-16 viz. on 26th May, 2015, 8th August, 2015, 31st October, 2015 and 30th January, 2016.

8.00 DIRECTORS' RESPONSIBILITY STATEMENT:

8.01 Your Directors hereby confirm that:

(a) In the preparation of the Annual Accounts for the financial year 2015-16, the applicable Accounting Standards have been followed and there are no material departures;

(b) The Directors have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;

(c) The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

(e) The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9.00 INDEPENDENT DIRECTORS:

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

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

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

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate key managerial personnel of the quality required to run the company successfully;
- (ii) relation of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

10.02 Under this Policy the Company retained a third party agency to assess the attributes of employees.

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

11.01 There is no qualification, reservation or adverse remark or disclaimer made by the Auditors in the Auditors' Report or by the Company Secretary in Practice in Secretarial Audit Report needing explanation or comments by the Board.

11.02 The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

12.00 PARTICULARS OF LOANS / GUARANTEES / INVESTMENTS:

12.01 Particulars of Loans given, Investments made or Securities provided under section 186 of the Companies Act are annexed as Annexure-2.

13.00 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

13.01 The Company has formulated a Policy on Materiality of Related Party transactions and also on dealing with Related Party transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party transactions has been disclosed on the website of the Company.

13.02 The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, are given in the prescribed Form AOC-2, annexed as Annexure-3.

14.00 MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR:

14.01 There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

15.00 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

15.01 The required information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto as Annexure-4.

16.00 RISK MANAGEMENT POLICY:

16.01 The Board has developed and implemented a Risk Management Policy for the Company, including for identifying elements of risk, which in the opinion of the Board may threaten the existence of the Company. In terms of the Policy, a detailed risk review is done by Unit Level Committee or Corporate Level Committee (depending upon value of the order) before accepting any order. All the terms and conditions, both financial and technical, are reviewed. All steps are taken to mitigate risks.

16.02 In addition, the Board has laid down a Foreign Exchange Risk Management Policy, which is implemented for hedging Forex risk.

16.03 The Company also takes adequate insurance to protect its assets.

17.00 CORPORATE SOCIAL RESPONSIBILITY:

17.01 The Company has constituted a Corporate Social Responsibility Committee of the Board of Directors as under:-

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

17.02 In addition to the amount of ₹ 172.76 lacs pertaining to the previous year, the Company was required to spend a further amount of ₹ 257.60 lacs for the year ended 31st March 2016 i.e. an aggregate amount of ₹ 430.36 lacs for the two years.

17.03 The Company has spent ₹ 319.73 lacs as under:-

- a) On the Social Projects including expenditure in areas around Yamunanagar : ₹ 119.73 lacs
- b) Contribution to Prime Minister’s National Relief Fund : ₹ 200.00 lacs

Total : ₹ 319.73 lacs

17.04 Balance amount of ₹ 110.63 lacs, provided in the Profit & Loss Account, will be spent during the current year in accordance with the CSR Policy of the Company.

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

18.00 ANNUAL EVALUATION BY THE BOARD:

18.01 The evaluation framework for assessing the performance of the Board, Committees and Directors comprises of the following key areas:

- (i) Attendance of Board Meetings and Committee Meetings by the Directors;
- (ii) Quality of contribution and deliberations towards growth of the Company, guidance to the management; and
- (iii) Commitment to shareholders’ and other stakeholders’ interests.

18.02 The Board evaluates performance of the Audit Committee on the basis of the Audit Reports and Financial Statements approved by the Audit Committee.

18.03 The performance of the Managing Director is evaluated by the Board on the basis of the working reports given by the Managing Director at regular intervals. The operating results are also considered for evaluating performance of the Managing Director.

19.00 DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL:

19.01 Mr. Sidharth Prasad (DIN: 00074194) was appointed as Additional Director during the year.

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

Isgec Titan Metal Fabricators Pvt. Limited was incorporated as a Joint Venture Company along with Titan Metal Fabricators, USA. The total paid-up capital is ₹ 1,00,00,000/-. Your Company has contributed ₹ 51,00,000 i.e. 51% and Titan Metal Fabricators, USA has contributed ₹ 49,00,000, i.e. 49% subscription towards capital in August, 2015.

21.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

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

22.00 INTERNAL FINANCIAL CONTROLS:

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

23.00 COMPOSITION OF AUDIT COMMITTEE:

23.01 The composition of Audit Committee is as below:-

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

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

24.00 MANAGEMENT DISCUSSION & ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE:

24.01 The Management Discussion & Analysis Report and Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are annexed as Annexure-6 and 7 respectively.

25.00 CONSOLIDATED FINANCIAL STATEMENTS:

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

25.02 Further, as required under Rule 5 of the Companies (Accounts) Rules 2014, a statement in form AOC-1 containing salient features of the financial statements of the subsidiary companies is attached as Annexure-8.

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

26.01 Disclosures regarding remuneration as required under Section 197 (12) of the Companies Act, 2013 are annexed as Annexures-9 and 10.

27.00 VIGIL MECHANISM:

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

28.00 SECRETARIAL AUDIT REPORT:

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

28.02 Pursuant to Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by Mr. Ranjeet Kumar Verma of M/s. Ranjeet Verma & Associates, Company Secretaries, is annexed as Annexure-11.

29.00 PERSONNEL:

29.01 The Board wishes to express its appreciation to all the employees of the Company for their contribution to the operations of the Company during the year.

30.00 INDUSTRIAL RELATIONS:

30.01 Industrial relations remained peaceful.

31.00 ACKNOWLEDGEMENTS:

31.01 Your Directors take this opportunity to thank the Financial Institutions, Banks, Government Authorities, Regulatory Authorities and the Shareholders for their continued co-operation and support to the Company.

32.00 With these remarks, we present the Accounts for the year ended March 31, 2016.

BY ORDER OF THE BOARD

Vinod Kumar Sachdeva

Director
(DIN: 00454458)

Aditya Puri

Managing Director
(DIN: 00052534)

Place: Noida.

Date: 26th May, 2016

ANNEXURE-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SI. No. | Name and Description of main products/ services | NIC Code of the Product / Service | % to total turnover of the Company |
|---------|---|-----------------------------------|------------------------------------|
| 1 | Boiler, Sugar and Power Plants | 25131 | 73.41 % |

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

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

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1,131,962 | | 1,131,962 | 15.39 | 1,131,962 | | 1,131,962 | 15.39 | NIL |
| b) Central Govt | | | | | | | | | |
| c) State Govt (s) | | | | | | | | | |
| d) Bodies Corp. | 3,441,818 | | 3,441,818 | 46.81 | 3,446,573 | | 3,446,573 | 46.87 | 0.068 |
| e) Banks / FI | | | | | | | | | |
| f) Any other.... | | | | | | | | | |
| Sub-total(A)(1) :- | 4,573,780 | | 4,573,780 | 62.20 | 4,578,535 | | 4,578,535 | 62.268 | 0.068 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks / FI | | | | | | | | | |
| e) AnyOther.... | | | | | | | | | |
| Sub-total(A) (2) :- | | | | | | | | | |
| Total shareholding of Promoters (A) = (A)(1)+(A)(2) | 4,573,780 | | 4,573,780 | 62.20 | 4,578,535 | | 4,578,535 | 62.268 | 0.068 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 88,736 | 600 | 89,336 | 1.22 | 101,946 | 600 | 102,546 | 1.39 | 0.17 |
| b) Banks / FI | | 2,420 | 2,420 | 0.03 | | 2,420 | 2,420 | 0.03 | 0.00 |
| c) Central Govt | 1,000 | | 1,000 | 0.01 | 1,000 | | 1,000 | 0.01 | 0.00 |
| d) State Govt (s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | 109,921 | | 109,921 | 1.50 | 154,028 | | 154,028 | 2.09 | 0.59 |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (Specify) | | | | | | | | | |
| Sub-total(B) (1) :- | 199,657 | 3,020 | 202,677 | 2.76 | 256,974 | 3,020 | 259,994 | 3.53 | 0.77 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 389,982 | 5,041 | 395,023 | 5.37 | 407,721 | 5,041 | 412,762 | 5.61 | 0.24 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 737,866 | 289,326 | 1,027,192 | 13.97 | 759,529 | 252,688 | 1,012,217 | 13.77 | -0.20 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 1,083,179 | 71,100 | 1,154,279 | 15.70 | 1,019,543 | 69,900 | 1,089,443 | 14.82 | -0.88 |
| c) Others (specify) | | | | | | | | | |
| Sub-total(B) (2) :- | 2,211,027 | 365,467 | 2,576,494 | 35.04 | 2,186,793 | 327,629 | 2,514,422 | 34.20 | -0.84 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 2,410,684 | 368,487 | 2,779,171 | 37.80 | 2,443,767 | 330,649 | 2,774,416 | 37.73 | -0.07 |
| C. Shares held by Custodian of GDR & ADRs | | | | | | | | | |
| Grand Total(A+B+C) | 6,984,464 | 368,487 | 7,352,951 | 100.00 | 7,022,302 | 330,649 | 7,352,951 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| SI. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|-----------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ Encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | MR. RANJIT PURI | 659,201 | 8.97 | NIL | 659,201 | 8.97 | NIL | NIL |
| 2 | MR. ADITYA PURI | 456,808 | 6.21 | NIL | 456,808 | 6.21 | NIL | NIL |
| 3 | MRS. NINA PURI | 15,953 | 0.22 | NIL | 15,953 | 0.22 | NIL | NIL |
| 4 | THE YAMUNA SYNDICATE LTD. | 3,296,526 | 44.83 | NIL | 3,296,526 | 44.83 | NIL | NIL |
| 5 | N.A. COLD STORAGE PVT. LTD. | 145,292 | 1.976 | NIL | 150,047 | 2.041 | NIL | 0.07 |
| | Total | 4,573,780 | 62.20 | NIL | 4,578,535 | 62.27 | NIL | 0.07 |

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

| SI. No. | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | | |
|---------|-----------------------------|---|----------------------------------|---|----------------------------------|-------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company | |
| a) | Mr. RANJIT PURI | NO CHANGE IN SHAREHOLDING | | | | |
| b) | Mr. ADITYA PURI | NO CHANGE IN SHAREHOLDING | | | | |
| c) | Mrs. NINA PURI | NO CHANGE IN SHAREHOLDING | | | | |
| d) | THE YAMUNA SYNDICATE LTD. | NO CHANGE IN SHAREHOLDING | | | | |
| e) | N.A. COLD STORAGE PVT. LTD. | | | | | |
| 1 | | At the beginning of the year | 145,292 | 1.98% | 145,292 | 1.98% |
| 2 | | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | 9/12/2015 Transfer 16 | 0.000% | 145,308 | 1.98% |
| | | | 10/12/2015 Transfer 101 | 0.001% | 145,409 | 1.98% |
| | | | 11/12/2015 Transfer 201 | 0.003% | 145,610 | 1.98% |
| | | | 14/12/2015 Transfer 85 | 0.001% | 145,695 | 1.98% |
| | | | 15/12/2015 Transfer 50 | 0.001% | 145,745 | 1.98% |
| | | | 8/1/2016 Transfer 11 | 0.000% | 145,756 | 1.98% |

| | | | | | |
|---|------------------------|------------------------------|--------|---------|-------|
| | | 13/1/2016 Transfer 340 | 0.005% | 146,096 | 1.99% |
| | | 14/1/2016 Transfer 150 | 0.002% | 146,246 | 1.99% |
| | | 18/1/2016 Transfer 620 | 0.008% | 146,866 | 2.00% |
| | | 19/1/2016 Transfer 764 | 0.010% | 147,630 | 2.01% |
| | | 20/1/2016 Transfer 816 | 0.011% | 148,446 | 2.02% |
| | | 21/1/2016 Transfer 132 | 0.002% | 148,578 | 2.02% |
| | | 9/2/2016 Transfer 74 | 0.001% | 148,652 | 2.02% |
| | | 10/2/2016 Transfer 326 | 0.004% | 148,978 | 2.03% |
| | | 12/2/2016 Transfer 112 | 0.002% | 149,090 | 2.03% |
| | | 17/2/2016 Transfer 111 | 0.002% | 149,201 | 2.03% |
| | | 18/2/2016 Transfer 275 | 0.004% | 149,476 | 2.03% |
| | | 19/2/2016 Transfer 350 | 0.005% | 149,826 | 2.04% |
| | | 23/2/2016 Transfer 81 | 0.001% | 149,907 | 2.04% |
| | | 24/2/2016 Transfer 140 | 0.002% | 150,047 | 2.04% |
| 3 | At the end of the year | 150047 | 2.04% | 150,047 | 2.04% |

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

| Sl. No. 1 | For Each of the Top 10 Shareholder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Mr. Ranjan Tandon | | | | |
| 1 | At the beginning of the year | 438900 | 5.97 | 438900 | 5.97 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No Change | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 438900 | 5.97 | 438900 | 5.97 |

| Sl. No. 2 | Shri Paras Ram Holdings Pvt. Ltd. | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 31-03-15 173,481 | 2.36% | 173,481 | 2.36% |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | 10-4-2015 Transfer -3574 | -0.05% | 169,907 | 2.31% |
| | | 17-4-2015 Transfer -1622 | -0.02% | 168,285 | 2.29% |
| | | 23-4-2015 Transfer 194 | 0.00% | 168,479 | 2.29% |
| | | 1-5-2015 Transfer 399 | 0.01% | 168,878 | 2.30% |
| | | 8-5-2015 Transfer -3 | 0.00% | 168,875 | 2.30% |
| | | 15-5-2015 Transfer 1 | 0.00% | 168,876 | 2.30% |
| | | 22-5-2015 Transfer -17 | 0.00% | 168,859 | 2.30% |
| | | 29-5-2015 Transfer 26 | 0.00% | 168,885 | 2.30% |
| | | 12-6-2015 Transfer 15 | 0.00% | 168,900 | 2.30% |
| | | 19-6-2015 Transfer 122 | 0.00% | 169,022 | 2.30% |
| | | 26-6-2015 Transfer -45 | 0.00% | 168,977 | 2.30% |
| | | 30-6-2015 Transfer -2 | 0.00% | 168,975 | 2.30% |
| | | 3-7-2015 Transfer -70 | 0.00% | 168,905 | 2.30% |
| | | 10-7-2015 Transfer 559 | 0.01% | 169,464 | 2.30% |
| | | 17-7-2015 Transfer -551 | -0.01% | 168,913 | 2.30% |
| | | 24-7-2015 Transfer 75 | 0.00% | 168,988 | 2.30% |

| | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|--|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| | | 31-7-2015 Transfer 78 | 0.00% | 169,066 | 2.30% |
| | | 7-8-2015 Transfer -625 | -0.01% | 168,441 | 2.29% |
| | | 14-8-2015 Transfer -663 | -0.01% | 167,778 | 2.28% |
| | | 28-8-2015 Transfer 649 | 0.01% | 168,427 | 2.29% |
| | | 4-9-2015 Transfer -29 | 0.00% | 168,398 | 2.29% |
| | | 11-9-2015 Transfer -475 | -0.01% | 167,923 | 2.28% |
| | | 18-9-2015 Transfer 14 | 0.00% | 167,937 | 2.28% |
| | | 25-9-2015 Transfer -86 | 0.00% | 167,851 | 2.28% |
| | | 30-9-2015 Transfer 49 | 0.00% | 167,900 | 2.28% |
| | | 9-10-2015 Transfer -99 | 0.00% | 167,801 | 2.28% |
| | | 16-10-2015 Transfer 354 | 0.00% | 168,155 | 2.29% |
| | | 23-10-2015 Transfer 78 | 0.00% | 168,233 | 2.29% |
| | | 30-10-2015 Transfer -254 | 0.00% | 167,979 | 2.28% |
| | | 6-11-2015 Transfer -102 | 0.00% | 167,877 | 2.28% |
| | | 20-11-2015 Transfer -9 | 0.00% | 167,868 | 2.28% |
| | | 27-11-2015 Transfer -94 | 0.00% | 167,774 | 2.28% |
| | | 11-12-2015 Transfer 526 | 0.01% | 168,300 | 2.29% |

| | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|------------------|---|--|---|--|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| | | 18-12-2015 Transfer -19 | 0.00% | 168,281 | 2.29% |
| | | 31-12-2015 Transfer 1278 | 0.02% | 169,559 | 2.31% |
| | | 1-1-2016 Transfer -542 | -0.01% | 169,017 | 2.30% |
| | | 8-1-2016 Transfer 5 | 0.00% | 169,022 | 2.30% |
| | | 15-1-2016 Transfer 22 | 0.00% | 169,044 | 2.30% |
| | | 22-1-2016 Transfer 22 | 0.00% | 169,066 | 2.30% |
| | | 5-2-2016 Transfer 7 | 0.00% | 169,073 | 2.30% |
| | | 12-2-2016 Transfer -15 | 0.00% | 169,058 | 2.30% |
| | | 19-2-2016 Transfer 1036 | 0.01% | 170,094 | 2.31% |
| | | 26-2-2016 Transfer 55 | 0.00% | 170,149 | 2.31% |
| | | 4-3-2016 Transfer 17 | 0.00% | 170,166 | 2.31% |
| | | 11-3-2016 Transfer -27 | 0.00% | 170,139 | 2.31% |
| | | 18-3-2016 Transfer 9 | 0.00% | 170,148 | 2.31% |
| | | 31-3-2016 Transfer -25 | 0.00% | 170,123 | 2.31% |
| 3. | At the end of the year (or on the date of separation, if separated during the year) | 31-3-2016 170123 | 2.31% | 170123 | 2.31% |
| Sl. No. 3 | Goldman Sachs India Fund Ltd. | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 31-3-2015 109921 | 1.49% | 109,921 | 1.49% |

| | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | 10-4-2015 Transfer 3116 | 0.04% | 113,037 | 1.54% |
| | | 12-6-2015 Transfer 4999 | 0.07% | 118,036 | 1.61% |
| | | 26-6-2015 Transfer 2442 | 0.03% | 120,478 | 1.64% |
| | | 30-6-2015 Transfer 456 | 0.01% | 120,934 | 1.64% |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 31-3-2016 120934 | 1.64% | 120,934 | 1.64% |
| SI. No. 4 | Bhanshali Stock Brokers Private Limited | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 75000 | 1.02 | 75000 | 1.02 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 75000 | 1.02 | 75000 | 1.02 |
| SI. No. 5 | Ms. Priya Khanna | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 54320 | 0.74 | 54320 | 0.74 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 54320 | 0.74 | 54320 | 0.74 |
| SI. No. 6 | Mr. Harsh Pal Sethi | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 50000 | 0.68 | 50000 | 0.68 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 50000 | 0.68 | 50000 | 0.68 |

| SI. No. 7 | Enam Securities Pvt. Ltd. | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|------------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 50000 | 0.68 | 50000 | 0.68 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 50000 | 0.68 | 50000 | 0.68 |
| SI. No. 8 | Sundaram Mutual Fund | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 31-3-2015 45897 | 0.62% | 45897 | 0.62% |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | 10-4-2015 Transfer 37 | 0.00% | 45934 | 0.62% |
| | | 12-6-2015 Transfer 3240 | 0.04% | 49174 | 0.67% |
| | | 26-6-2015 Transfer 290 | 0.00% | 49464 | 0.67% |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 31-3-2016 49464 | 0.67% | 49464 | 0.67% |
| SI. No. 9 | Ms. Lata Bhanshali | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 46207 | 0.63 | 46207 | 0.63 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 46207 | 0.63 | 46207 | 0.63 |
| SI. No. 10 | Mr. Onkar Nath Aggarwal | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 43020 | 0.59 | 43020 | 0.59 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reason for Increase / Decrease (e.g. allotment / transfer / bonus / Sweat equity etc.): | No change. | | | |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | 43020 | 0.59 | 43020 | 0.59 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SI. No. 1 | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|--|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| MR. RANJIT PURI, CHAIRMAN | | | | | |
| 1 | At the beginning of the year | 659201 | 8.97 | 659201 | 8.97 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 659201 | 8.97 | 659201 | 8.97 |
| MR. ADITYA PURI, MANAGING DIRECTOR | | | | | |
| 1 | At the beginning of the year | 456808 | 6.21 | 456808 | 6.21 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 456808 | 6.21 | 456808 | 6.21 |
| MRS. NINA PURI, WHOLE TIME DIRECTOR | | | | | |
| 1 | At the beginning of the year | 15953 | 0.22 | 15953 | 0.22 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 15953 | 0.22 | 15953 | 0.22 |
| MR. TAHIR HASAN, DIRECTOR | | | | | |
| 1 | At the beginning of the year | 1640 | 0.02 | 1640 | 0.02 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 1640 | 0.02 | 1640 | 0.02 |
| MR. ARUN KATHPALIA, DIRECTOR | | | | | |
| 1 | At the beginning of the year | 120 | 0 | 120 | 0 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 120 | 0 | 120 | 0 |

| SI. No. 6 | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|----------------------------------|---|----------------------------------|
| MR. VINOD KUMAR SACHDEVA, DIRECTOR | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 390 | 0.01 | 390 | 0.01 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 390 | 0.01 | 390 | 0.01 |
| SI. No. 7 | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| MR. VINOD K. NAGPAL, DIRECTOR | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 436 | 0.01 | 436 | 0.01 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | 15/05/2015 Transfer 250 | 0.003 | 686 | 0.01 |
| | | 27/11/2015 Transfer -40 | -0.001 | 646 | 0.01 |
| | | 4/3/2016 Transfer -50 | -0.001 | 596 | 0.01 |
| 3 | At the end of the year | 596 | 0.01 | 596 | 0.01 |
| SI. No. 8 | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| MR. SIDHARTH PRASAD, DIRECTOR | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 0 | 0 | 0 | 0 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | 0 | 0 | 0 | 0 |
| 3 | At the end of the year | 0 | 0 | 0 | 0 |
| SI. No. 9 | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
| MR. SUDERSHAN KUMAR KHORANA, EXECUTIVE DIRECTOR & COMPANY SECRETARY | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | At the beginning of the year | 1920 | 0.03 | 1920 | 0.03 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change. | | | |
| 3 | At the end of the year | 1920 | 0.03 | 1920 | 0.03 |

| Sl. No. 10 | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|------------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| | MR. KISHORE CHATNANI, HEAD-CORPORATE ACCOUNTS & TREASURY AND CHIEF FINANCIAL OFFICER | | | | |
| 1 | At the beginning of the year | 0 | 0 | 0 | 0 |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | 0 | 0 | 0 | 0 |
| 3 | At the end of the year | 0 | 0 | 0 | 0 |

V. INDEBTEDNESS

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

(₹ in Lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 25957.63 | 1251.82 | 0.00 | 27209.45 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 304.74 | 0.00 | 0.00 | 304.74 |
| Total (i+ii+iii) | 26262.37 | 1251.82 | 0.00 | 27514.19 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 16780.20 | 9511.81 | 0.00 | 26292.01 |
| • Reduction | 21158.58 | 1251.82 | 0.00 | 22410.40 |
| Net Change | -4378.38 | 8259.99 | 0.00 | 3881.61 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 21799.33 | 9500.00 | 0.00 | 31299.33 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 84.66 | 11.81 | 0.00 | 96.47 |
| Total (i+ii+iii) | 21883.99 | 9511.81 | 0.00 | 31395.80 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---------|---|------------------------------------|-------------------------------------|----------------|
| | | Mr. Aditya Puri, Managing Director | Mrs. Nina Puri, Whole Time Director | |
| 1 | Gross salary | ₹/Lacs | ₹/Lacs | ₹/Lacs |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 46.8 | 22.8 | 69.6 |
| (b) | Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 1 | 1.04 | 2.04 |
| (c) | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission-as % of profit-others, specify... | 1430.13 | 1461.65 | 2891.78 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | • Contribution to PF, Group Gratuity & Superannuation | 11.3 | 3.74 | 15.04 |
| | • Tax free perquisites | 0.15 | 0.15 | 0.3 |
| | Total (A) | 1489.38 | 1489.38 | 2978.76 |
| | Ceiling as per the Act | | | 2979.27 |

B. Remuneration to other Directors:

(₹ in Lacs)

| SI. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|----------------------------------|---------------------------|------------------------------|------------------------------------|-------------------------------|----------------|
| | | Mr. Vinod K. Naggal, Director | Mr. Tahir Hasan, Director | Mr. Arun Kathpalia, Director | Mr. Vinod Kumar Sachdeva, Director | Mr. Sidharth Prasad, Director | |
| | | ₹/Lacs | ₹/Lacs | ₹/Lacs | ₹/Lacs | ₹/Lacs | ₹/Lacs |
| 1 | Independent Directors | | | | | | |
| | • Fee for attending board/committee meetings | 1.42 | 0.97 | 1.42 | 0.97 | 0.57 | 5.35 |
| | • Commission | 0.29 | 0.29 | 0.29 | 0.29 | 0.1 | 1.25 |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (1) | 1.71 | 1.26 | 1.71 | 1.26 | 0.67 | 6.60 |
| 2 | Other Non-Executive Directors | Mr. Ranjit Puri, Chairman | | | | | |
| | • Fee for attending board / committee meetings | 1.08 | | | | | |
| | • Commission | 0.29 | | | | | |
| | • Others, please specify | - | | | | | |
| | Total (2) | 1.37 | | | | | 1.37 |
| | Total (B)=(1+2) | | | | | | 7.97 |
| | Total Managerial Remuneration | | | | | | 2986.73 |
| | Overall Ceiling as per the Act | | | | | | 3277.20 |

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

(₹ in Lacs)

| SI. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|---|---|---------------|
| | | Mr. Sudershan Kumar Khorana, Executive Director & Company Secretary | Mr. Kishore Chatnani, Chief Financial Officer | Total |
| 1 | Gross salary | ₹/Lacs | ₹/Lacs | ₹/Lacs |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 95.48 | 55.83 | 151.31 |
| (b) | Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 0.31 | 2.02 | 2.33 |
| (c) | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission-as % of profit-others, specify... | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | • Contribution to PF/ NPS/Superannuation | 4.59 | 5.53 | 10.12 |
| | • Tax free perquisites | 1 | 1.26 | 2.26 |
| | Total (A) | 101.38 | 64.64 | 166.02 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

ANNEXURE-2

Particulars of Loans, Guarantees and Investment under Section 186 of Companies Act 2013, as on 31.03.2016**(1) Guarantees to Banks for Isgec Hitachi Zosen Limited.**

| | (₹ in lacs) |
|-----------------------------|------------------|
| Standard Chartered Bank | 15,456.03 |
| State Bank of Patiala | 11,500.00 |
| Kotak Mahindra Bank Limited | 7,500.00 |
| HDFC Bank Limited | 6,000.00 |
| HSBC Bank | 2,500.00 |
| Total : | 42,956.03 |

(2) Investment

| | | |
|----|---|------------------|
| a) | Shares of Subsidiary Companies : | |
| | 20,00,000 Shares (Face value ₹ 10 each) of Isgec Covema Limited, at Book value - Wholly owned subsidiary | 200.00 |
| | 1,00,000 Shares (Face value ₹ 10 each) of Isgec Exports Limited, at Book value - Wholly owned subsidiary | 10.00 |
| | 40,00,000 Shares (Face value ₹ 10 each) of Isgec Engineering & Projects Limited, at Book value - Wholly owned subsidiary | 400.00 |
| | 70,99,900 Shares (Face value ₹ 10 each) of Saraswati Sugar Mills Limited, at Book value - Wholly owned subsidiary | 7,009.99 |
| | 24,650 Shares (Face value ₹ 10 each) of Freelook Software Private Limited, at Book value - Wholly owned subsidiary | 1,306.45 |
| | 51,00,000 Shares (Face value ₹ 10 each) of Isgec Hitachi Zosen Limited, at Book value - Joint Venture Company | 5,100.00 |
| | 10,20,000 Shares (Face value ₹ 10 each) of Isgec Foster Wheeler Boilers Private Limited, at Book value - Joint Venture Company | 102.00 |
| | 5,10,000 Shares (Face value ₹ 10 each) of Isgec Titan Fabricators Private Limited, at Book value - Joint Venture Company | 51.00 |
| b) | Other Companies : | |
| | 704 Shares (Face value ₹ 10 each) of Reliance Industries Limited, at Book value | 3.36 |
| | 872 Shares (Face value ₹ 10 each) of Reliance Power Limited, at Book value | 2.46 |
| | 50 Non Convertible Debentures (Face value ₹ 10,00,000 each) of Canara Bank, at Book value | 500.00 |
| | 50,000 Non Convertible Debentures (Face value ₹ 1,000 each) of Edelweiss Finance & Investment Limited, at Book value | 500.00 |
| | 225 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Edelweiss Finance & Investment Limited, at Book value | 225.00 |
| | 500 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-548, at Book value | 500.00 |
| | 1,000 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-559, at Book value | 1,000.00 |
| | 2,000 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-563, at Book value | 2,000.00 |
| | 800 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-568, at Book value | 800.00 |
| | 600 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-572, at Book value | 600.00 |
| | 500 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Citicorp Finance (India) Limited NCD Series-575, at Book value | 500.00 |
| | 300 Non Convertible Debentures (Face value ₹ 1,00,000 each) of Edelweiss Finance & Investment Limited NCD Series-L7L501A, at Book value | 300.00 |
| c) | Fixed Deposits with : | |
| | HDFC Limited | 500.00 |
| | Mahindra & Mahindra Financial Services Limited | 99.00 |
| | Bajaj Finance Limited | 300.00 |
| | PNB Housing Finance Limited | 500.00 |
| | Total : | 22,509.26 |
| | Grand Total : | 65,465.29 |

Form No. AOC-2

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

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

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

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

| Sl. No | Name(s) of the related party | Nature of relationship | Nature of contracts/arrangements/ transactions | Duration of the contracts/arrangements/ transactions | Salient terms of the contracts or arrangements including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|--------|-------------------------------|---|--|--|--|---|----------------------------------|
| 1 | Saraswati Sugar Mills Limited | Subsidiary Company | Sale of Goods | 1 Year | Sale of material of ₹ 7.84 lacs during the year | - | NIL |
| 2 | Saraswati Sugar Mills Limited | Subsidiary Company | Sale of Goods | 1 Year | Supply of Sugar Machinery & Equipment of ₹ 5.03 lacs during the year | - | NIL |
| 3 | Saraswati Sugar Mills Limited | Subsidiary Company | Rendering of services | 1 Year | Rendering of Engineering Services of ₹ 0.34 lacs during the year | - | NIL |
| 4 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Sub Lease of plant & Machinery, equipments and other movable assets. | 10 Years | Sub-leasing of Equipments, Plant & Machinery and other movable assets. Lease rent of ₹ 2,836.35 lacs received during the year. | 13/01/2012 | NIL |
| 5 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Purchase of Raw Materials/ input as such | 1 Year | Purchase of Raw Materials of ₹ 732.97 lacs during the year | - | NIL |
| 6 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Sale of Raw Materials/ inputs | 1 Year | Sale of Raw Materials/ input material of ₹ 166.27 lacs during the year | - | NIL |
| 7 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Rendering of Services | 1 Year | Rendering of services of ₹ 602.65 lacs during the year | - | NIL |
| 8 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Services Received | 1 Year | Services received of ₹ 35.89 lacs during the year | - | NIL |
| 9 | ISGEC Hitachi Zosen Limited | Joint Venture Company with 51% Shareholding | Sale of Capital Goods | 1 Year | Sale of Capital Goods of ₹ 1.27 lacs during the year | - | NIL |
| 10 | The Yamuna Syndicate Ltd. | Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital | Purchase of Goods | 1 Year | Purchase of electrical goods, Oil & Lubricants of ₹ 155.52 lacs during the year | - | NIL |
| 11 | The Yamuna Syndicate Ltd. | Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital | Purchase of Capital Goods | 1 Year | Purchase of Capital Goods of ₹ 3.00 lacs during the year | - | NIL |

| Sr No | Name(s) of the related party | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|-------|--------------------------------------|---|---|---|---|---|----------------------------------|
| 12 | The Yamuna Syndicate Ltd. | Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital | Rendering of services | 1 Year | Rendering of Services of ₹ 31.49 lacs during the year | - | NIL |
| 13 | The Yamuna Syndicate Ltd. | Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital | Services received | 1 Year | Services received of ₹ 0.11 lacs during the year | - | NIL |
| 14 | The Yamuna Syndicate Ltd. | Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital | Rent received | 1 Year | Rent received ₹ 0.39 lacs during the year on lease of office building. | - | NIL |
| 15 | Isgec Engineering & Projects Limited | Subsidiary Company | Rent Paid | 1 Year | Rent of ₹ 3.60 lacs paid during the year on lease of Building. | 31/10/2015 | NIL |
| 16 | Bluewater Enterprises | Firm in which Director is Partner | Rent Paid | 10 Years | Rent of ₹ 70.05 lacs paid during the year on lease of Office Building | 31/01/2009 | NIL |
| 17 | Mr. Ranjit Puri | Chairman | Chairman | 1 Year | Remuneration of ₹ 0.29 lacs and Directors sitting fee of ₹ 1.08 lacs incurred during the year | - | NIL |
| 18 | Mr. Aditya Puri | Managing Director | Managing Director | 1 Year | Remuneration of ₹ 1,489.38 lacs incurred during the year. | - | NIL |
| 19 | Mrs. Nina Puri | Wholtime Director | Wholtime Director | 1 Year | Remuneration of ₹ 1,489.38 lacs incurred during the year. | - | NIL |
| 20 | Mr. Vinod K. Nagpal | Director | Director | 1 Year | Remuneration of ₹ 0.29 lacs and Directors sitting fee of ₹ 1.42 lacs incurred during the year | - | NIL |
| 21 | Mr. Tahir Hasan | Director | Director | 1 Year | Remuneration of ₹ 0.29 lacs and Directors sitting fee of ₹ 0.97 lacs incurred during the year | - | NIL |
| 22 | Mr. Arun Kathpalia | Director | Director | 1 Year | Remuneration of ₹ 0.29 lacs and Directors sitting fee of ₹ 1.42 lacs incurred during the year | - | NIL |
| 23 | Mr. Vinod Kumar Sachdeva | Director | Director | 1 Year | Remuneration of ₹ 0.29 lacs and Directors sitting fee of ₹ 0.97 lacs incurred during the year | - | NIL |
| 24 | Mr. Sidharth Prasad | Director | Director | 1 Year | Remuneration of ₹ 0.10 lacs and Directors sitting fee of ₹ 0.57 lacs incurred during the year | - | NIL |

PARTICULARS REQUIRED UNDER RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014.**A. CONSERVATION OF ENERGY:****(a) The steps taken or impact on Conservation of Energy :**

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

- (i) Securing uninterrupted supply of electricity through Zero-cut Feeder resulting in low consumption of HSD for DG sets.
- (ii) Replacing the low efficiency motor with a highly efficient motor on 750 Ton Hydraulic Press resulting in saving of 18% power on this Machine.
- (iii) Replacing the old technology burners with high efficiency burners having control panel in the Stress Relieving Furnace resulting in 78% saving in power.
- (iv) Replacing conventional low efficiency welding machines with high efficiency welding machines resulting in substantial saving of power.

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

1. Replacement of the old roofing sheets in the workshops with polycarbonate transparent sheets to improve natural lighting and avoid the usage of electric lights during day light hours.
2. Replacement of conventional lights with LED lights in factories, offices and colony.
3. Installation of wind energy operated ventilator fans on the roofs of workshops to improve ventilation, light and natural air cooling of the workspace.

(c) The Capital Investment on energy conservation equipment: ₹ 12.31 lacs.**B. TECHNOLOGY ABSORPTION:****(i) the efforts made towards technology absorption:**

The Company has the following Technology Agreements:-

1. With Amec Foster Wheeler North America Corp:
 - (i) For Circulating Fluidized Bed Combustion (CFBC) Boilers up to 99.9 Mwe;
 - (ii) For Oil & Gas, Shop Assembled Water Tube Packaged Boilers up to 260 Tonnes per hour;
 - (iii) For Pulverized Coal Fired Sub-Critical Boilers and Super-Critical Boilers (60 Mwe to 1000 Mwe);
 - (iv) For Feed Water Heaters and Surface Condensers.
 - (v) For Reheat design for CFBC Boilers up to 100 MW.
2. With BOSCH Projects, South Africa, for transfer of technology for manufacture of Chainless Cane Diffusers and other sugar machinery equipment.
3. With Envirotherm GmbH, Germany, for manufacture of Electrostatic Precipitators (ESP) up to 1000 Mwe.
4. With Hitachi Zosen Corporation, Japan, for critical equipment for Fertilizer and Oil & Gas Sectors with their back-up for engineering and supervision during manufacturing in India.
5. With Belleli, Italy, for manufacture of Breech Lock Exchangers.
6. With NEM Energy b.v Netherlands for design, fabrication and installation of Drum type Heat Recovery Steam Generators.
7. With CB&I Lummus for design and manufacture of Helix Heat Exchangers.

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

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

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

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

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

| | | | | |
|--|---|---|--|--|
| (a) Details of technology imported | Electrostatic Precipitator from Envirotherm Germany | Re-heat design for CFBC Boilers up to 100 MW from Amec Foster Wheeler, USA. | Heat Recovery System Generators from NEM Netherlands | Nosing Press Plant, Forging Plant, Forging Complex Press and Straightening Press from Neuson Hydrotec GmbH, aisbergerstraBe 52, 4030 Linz, Austria. |
| (b) Year of Import | Year ended 30 th September, 2013. | Year ended 30 th September, 2013. | Period ended 31 st March, 2014. | Year ended 31 st March, 2016. |
| (c) Whether technology has been fully absorbed | Yes | Yes | Yes | Not yet. |
| (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof | Not applicable | Not Applicable | Not applicable | The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start. |

(iv) the expenditure incurred on Research and Development : ₹ 76.05 Lacs**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:****(in terms of actual inflows and actual outflows)****(i) Total Foreign Exchange Earnings and Outgo (2015-16)****(Amount in ₹/Crores)**

| | |
|-----------------------------------|----------|
| - Total Foreign Exchange Earnings | 1,253.25 |
| - Total Foreign Exchange Outgo | 373.69 |

ANNUAL REPORT ON CSR ACTIVITIES

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

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

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.
- (xi) Slum area development.

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

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

2. The Composition of the CSR Committee:

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

3. Average net profit of the company for last three financial years : ₹ 12,879.77 Lacs**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 257.60 Lacs****5. Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year: ₹ 430.36 lacs, including ₹ 172.76 Lacs unspent amount of previous year.
- (b) Amount unspent, if any: ₹ 110.63 lacs

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

| 1) | 2) | 3) | 4) | 5) | 6) | 7) | 8) |
|---------|--|--|---|---|---|---|--|
| Sl. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) projects or programs- wise (₹ In Lacs) | Amount spent on the projects or programs Sub -heads (1) Direct Expenditure on projects or programs (2) Over-heads (₹ In Lacs) | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
| 1 | Renovation of Girls H.S.School, Jagadhri, Yamunanagar (Haryana) | Promoting Education | District Yamunanagar and Kurukshetra in Haryana. | 16.00 | 15.81 | 15.81 | Direct |
| 2 | Provision of: - Laminated Green Boards (1344 Nos.). - Durries (1379 Nos.). - Water Coolers with Water Purifiers (145 Nos.). | Promoting Education | Districts of Yamunanagar and Kurukshetra in Haryana | 87.42 | 87.42 | 87.42 | Direct |
| 3 | Provision of: - Desks for students seating in School (200 Nos.) | Promoting Education | 3 DAV schools of District Yamunanagar (Haryana) | 5.00 | 4.17 | 4.17 | Direct |
| 4 | Provided van to Educational Society | Promoting Education | New Delhi | 3.70 | 3.70 | 3.70 | Direct |
| 5 | Providing LED lighting to Blind relief association | Promoting Education to differently abled and environmental sustainability | New Delhi | 3.63 | 3.63 | 3.63 | Blind Relief Association |
| 6 | Providing funds to District Council of Child Welfare | Child Welfare | Yamunanagar | 5.00 | 5.00 | 5.00 | District Council of Child Welfare |
| 7 | Contribution to Prime Minister's National Relief Fund | Relief to families of those killed in natural calamities, victims of major accidents, riots and major medical treatment. | New Delhi | 200.00 | 200.00 | 200.00 | Prime Minister's National Relief Fund |
| | TOTAL | | | 320.75 | 319.73 | 319.73 | |

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

The Company had to spend a sum of ₹ 172.76 Lacs for the financial year 2014-15 and ₹ 257.60 Lacs for the financial year 2015-16 totaling to ₹ 430.36 Lacs. The company has already spent ₹ 319.73 Lacs and the balance amount of ₹ 110.63 Lacs has been provided in the Balance Sheet. The Company is in the process of identifying the areas where this amount can be spent for the beneficial impact.

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

The Company has spent the amount as mentioned above in accordance with the CSR Policy and shall be spending the balance amount of ₹ 110.63 Lacs to achieve the CSR objectives and in compliance of the CSR Policy of the Company during the current year.

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman –CSR Committee)

ANNEXURE-6

MANAGEMENT DISCUSSIONS AND ANALYSIS

In spite of adverse economic conditions the world over, there was a growth in revenue as well as profit during the year.

Input prices remained stable during most of the year. These have started to go up during the last few months.

The investment decisions are few and it has affected the capital goods industry adversely. Your company, due to intensive efforts towards value engineering, cost control and increase in productivity, has been able to withstand the competition and secure sufficient orders to keep its shop fully booked.

The outlook for the next year appears to be stable, though we may witness fluctuations in quarter to quarter performance.

The Management continues to look for new technologies and new diversification areas so as to broaden its portfolio of products and also move into higher value adding businesses. Keeping in view the Company is undertaking an exercise on growth strategy - to identify high potential new products, businesses, markets and partners. The Company has engaged a leading consultancy firm to provide consultancy and develop strategies for achieving sustainable growth over the next 5 to 7 years. The work is in progress.

Report on Corporate Governance

1. A brief statement on Company's philosophy on code of governance:

The Company's philosophy on Code of Governance is to comply with the requirement of disclosures and also principles of Corporate Governance, as mentioned in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

2. Board of Directors:

i. Composition and Category of Directors:

As on 31st March, 2016, the Board of Directors comprises of a Non-Executive Chairman, two Executive Directors and five Non-Executive Independent Directors.

ii. Attendance of each Director at the Board Meetings and at the last Annual General Meeting, and

iii. Number of other Boards or Board Committees in which he/she is a Member or Chairman:

| Name of the Director | Director Identification Number (DIN) | No. of Board Meetings attended | Whether attended the last Annual General Meeting | Directorships and Committee Memberships in other companies as disclosed | | | |
|---|--------------------------------------|--------------------------------|--|---|---------|----------------------|------------------------|
| | | | | Public | Private | Committee Membership | Committee Chairmanship |
| Non-Executive Chairman & Promoter | | | | | | | |
| Mr. Ranjit Puri (Husband of Mrs. Nina Puri and Father of Mr. Aditya Puri) | 00052459 | 4 | Yes | 4 | - | 2 | 1 |
| Executive Directors & Promoters | | | | | | | |
| Mr. Aditya Puri, Managing Director (Son of Mrs. Nina Puri and Mr. Ranjit Puri) | 00052534 | 4 | Yes | 6 | 2 | 6 | 2 |
| Mrs. Nina Puri, Wholetime Director (Wife of Mr. Ranjit Puri and Mother of Mr. Aditya Puri) | 01316769 | 3 | No | 1 | - | - | - |
| Non-Executive Independent Directors | | | | | | | |
| Mr. Vinod K. Nagpal | 00147777 | 4 | Yes | 1 | 3 | - | 1 |
| Mr. Tahir Hasan | 00074282 | 4 | Yes | 4 | 1 | - | 3 |
| Mr. Arun Kathpalia | 00177320 | 4 | Yes | - | 3 | - | - |
| Mr. Vinod Kumar Sachdeva | 00454458 | 3 | Yes | 1 | - | - | - |
| Mr. Sidharth Prasad* | 00074194 | 2 | - | 3 | 9 | - | - |

* Mr. Sidharth Prasad was appointed on October 31, 2015.

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

During the year, four Board Meetings were held as under:-

- May 26, 2015
- August 8, 2015
- October 31, 2015
- January 30, 2016

v. Number of shares held by Non-executive independent directors:

| Sl. No. | Name of Director | Number of Shares held |
|---------|--------------------------|-----------------------|
| 01. | Mr. Vinod K. Nagpal | 596 |
| 02. | Mr. Tahir Hasan | 1,640 |
| 03. | Mr. Arun Kathpalia | 120 |
| 04. | Mr. Vinod Kumar Sachdeva | 390 |
| 05. | Mr. Sidharth Prasad | Nil |

vi. Familiarisation programme for Independent Directors:

The Company has familiarisation programme for the Independent directors which is disclosed on company's website at web link namely <http://www.isgpec.com/aboutus-independent-directors.asp?lk=ab15>

3. Audit Committee:i. Brief description of terms of reference:

The Board, as required under Section 177 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has specified the terms of reference for the Audit Committee which *inter-alia* include:-

- (a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (b) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (c) examination of the financial statement and the auditors' report thereon;
- (d) approval or any subsequent modification of transactions of the company with related parties;
- (e) scrutiny of inter-corporate loans and investments;
- (f) valuation of undertakings or assets of the company, wherever it is necessary;
- (g) evaluation of internal financial controls and risk management systems;
- (h) monitoring the end use of funds raised through public offers and related matters.

In addition, the Audit Committee keeps in view its role as provided under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including review of financial statements of unlisted subsidiary companies.

ii. Composition, Name of Members and Chairman:

| Sl. No. | Name of the Committee Member | Position | No. of Meetings attended |
|---------|------------------------------|----------|--------------------------|
| 1. | Mr. Vinod K. Nagpal | Chairman | 4 |
| 2. | Mr. Arun Kathpalia | Member | 4 |
| 3. | Mr. Aditya Puri | Member | 4 |

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

iii. Meetings and attendance during the year:

During the year, four meetings of the Audit Committee were held as under:-

- May 26, 2015
- August 8, 2015
- October 31, 2015
- January 30, 2016

Details of attendance by each Member are given in the above table

4. **Nomination and Remuneration Committee:**

i. Brief description of Terms of Reference:

As required under section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee:-

- (a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (b) Carry out evaluation of every director's performance;
- (c) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

In addition, the Nomination and Remuneration Committee keeps in view its role as provided under Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Composition, Name of Members and Chairman:

| Sl. No. | Name of the Committee Member | Position | No. of Meetings attended |
|---------|------------------------------|----------|--------------------------|
| 1. | Mr. Vinod K. Nagpal | Chairman | 1 |
| 2. | Mr. Vinod Kumar Sachdeva | Member | 1 |
| 3. | Mr. Arun Kathpalia | Member | 1 |

All the members of the Nomination and Remuneration Committee are non-executive and Independent Directors. Mr. S. K. Khorana, Company Secretary is the Secretary of the Nomination and Remuneration Committee.

iii. Meetings and attendance during the year:

During the year, one meeting of the Nomination and Remuneration Committee was held.

iv. Performance Evaluation criteria for independent directors:

The evaluation framework for assessing the performance of the independent Directors comprises of the following key areas:

- (a) Attendance of Board Meetings and Committee meetings by the Independent Directors;
- (b) Quality of contribution and deliberations towards growth of the company, guidance to the management; and
- (c) Commitment to shareholders and other stakeholders interests.

5. Details of remuneration paid to Directors:

Details are given in 'Note no. 28.1 of Notes on Financial Statements'.

Details of Remuneration paid to Non-Executive Directors:

| Sl. No. | Name of Director | Nature of Payment & Amount (₹) | | Total Amount (₹) |
|---------|--------------------------|-----------------------------------|-----------------|---------------------|
| | | Remuneration* | Sitting Fee* | |
| 01. | Mr. Vinod K. Nagpal | 28,500 | 1,42,347 | 1,70,847 |
| 02. | Mr. Tahir Hasan | 28,500 | 96,861 | 1,25,361 |
| 03. | Mr. Ranjit Puri | 28,500 | 1,08,261 | 1,36,761 |
| 04. | Mr. Arun Kathpalia | 28,500 | 1,42,347 | 1,70,847 |
| 05. | Mr. Vinod Kumar Sachdeva | 28,500 | 97,025 | 1,25,525 |
| 06. | Mr. Sidharth Prasad | 10,451 | 57,125 | 67,576 |
| | Total | 1,52,951 | 6,43,966 | 7,96,917 |

* Remuneration and Sitting Fees are inclusive of service tax.

6. Stakeholders Relationship Committee / Stakeholders Grievances Committee :i. Composition, Name of Members and Chairman:

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

ii. Name and designation of Compliance Officer:

Mr. S.K. Khorana, Company Secretary.

iii. Number of Shareholders' complaints received so far:

One complaint was received which was promptly resolved.

iv. Number of complaints not solved to the satisfaction of Shareholders:

Nil.

v. Number of pending complaints:

Nil.

7. General Body Meetings:i. Location and time of last three Annual General Meetings (AGM) held:

| Date | Location | Time |
|-------------------|---|------------|
| February 11, 2014 | Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana. | 12:00 Noon |
| August 04, 2014 | | 11:00 A.M. |
| August 08, 2015 | | 11:00 A.M. |

ii. Whether any Special Resolution passed in the previous three AGM:

Yes.

(a). Special Resolution regarding remuneration to Non-executive Directors, was passed in the AGM held on February 11, 2014.

(b). Special Resolution regarding Increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013 was passed in the AGM held on August 04, 2014.

iii. Whether any Special Resolution passed last year through postal ballot – details of voting pattern:

No.

iv. Person who conducted the postal ballot exercise:

Not applicable.

v. Whether any Special Resolution is proposed to be conducted through postal ballot:

No.

vi. Procedure for Postal Ballot:

Not applicable.

8. Means of Communication:

i. Quarterly/ Annually Results:

Yes, Published in Newspaper.

ii. Newspapers wherein results normally published:

(a) Business Standard (English) and

(b) Vir Arjun (Hindi) or Hari Bhoomi (Hindi).

iii. Any website, where displayed:

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

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

iv. Whether it also displays official news releases:

There was no official news release.

v. The presentations made to institutional investors or to the analysts:

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

9. General Shareholder information:

i. Annual General Meeting date, time and venue:

Annual General Meeting will be held on Wednesday, August 10, 2016 at 11:30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar- 135001, Haryana.

ii. Financial Year:

1st April, 2015 to 31st March, 2016.

iii. Dividend Payment Dates:

(a) 29th February, 2016 for Interim Dividend.

(b) 17th August, 2016 for final Dividend.

iv. Listing on Stock Exchange:

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

It is confirmed that Payment of Annual Listing Fee for Financial year 2015-16 has been made by Company to stock exchange.

v. Stock Code:

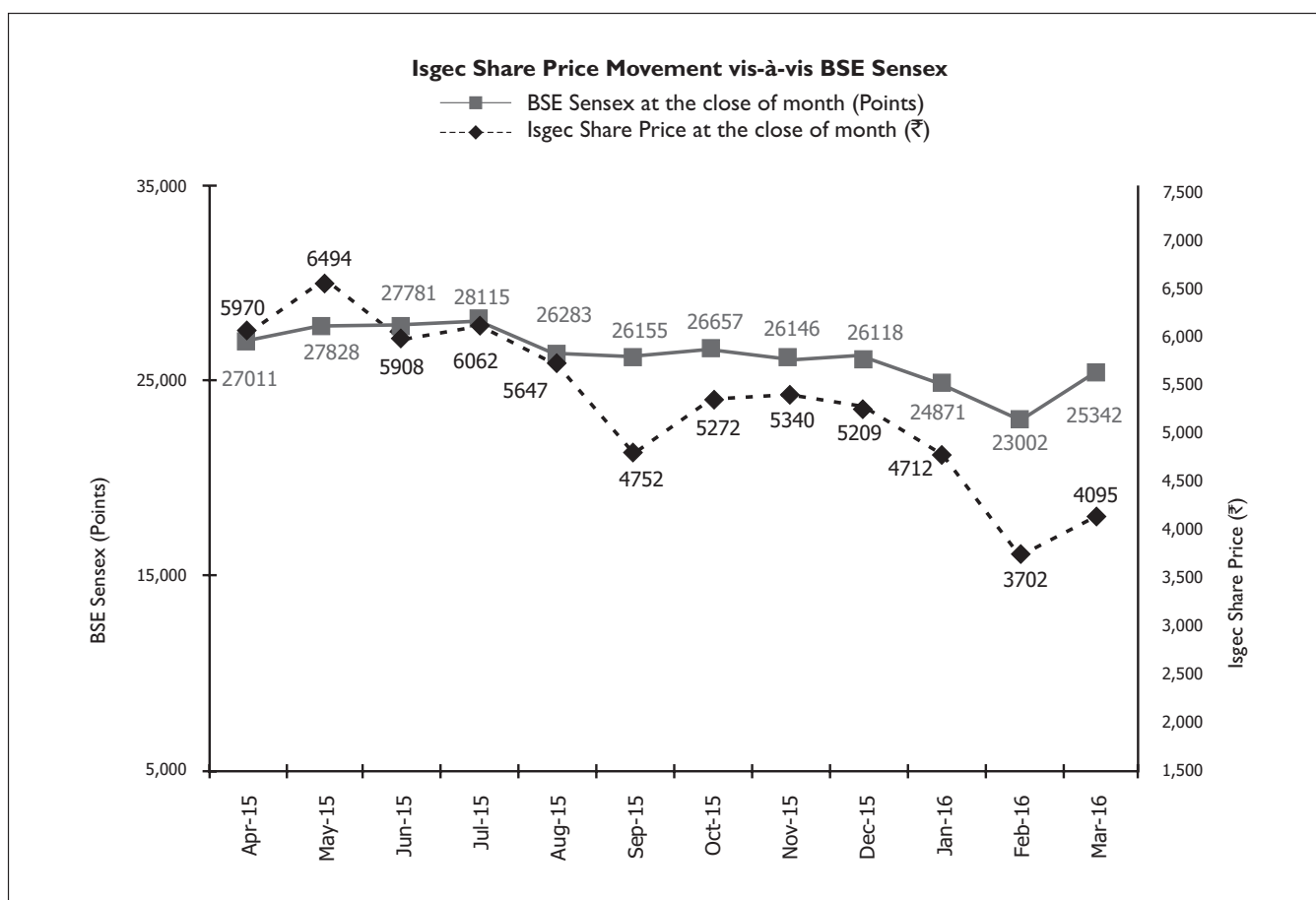
The Stock Code Number is ISIN - INE858B01011.

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

vi. Stock Market Price Data: High and Low during each month in the year on BSE:

| Month | Bombay Stock Exchange | |
|-----------------|-----------------------|------------|
| | Highest (₹) | Lowest (₹) |
| April, 2015 | 7,499.00 | 5,607.00 |
| May, 2015 | 6,666.00 | 5,520.00 |
| June, 2015 | 6,580.00 | 5,517.00 |
| July, 2015 | 6,440.00 | 5,751.00 |
| August, 2015 | 7,099.90 | 4,876.00 |
| September, 2015 | 5,640.00 | 4,611.00 |
| October, 2015 | 5,420.00 | 4,675.00 |
| November, 2015 | 5,569.00 | 4,925.00 |
| December, 2015 | 5,500.00 | 4,800.00 |
| January, 2016 | 5,300.00 | 4,200.00 |
| February, 2016 | 5,050.00 | 3,550.50 |
| March, 2016 | 4,345.00 | 3,665.00 |

vii. Share Price Performance in comparison to BSE Sensex:



viii. Securities suspended from trading:

Not Applicable

ix. Registrar and Transfer Agents:

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

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

Email: alankit@alankit.com

x. Share Transfer System:

The share transfers are attended, registered and returned within 30 days from the date of receipt, if the documents are in order in all respects.

xi. Distribution of shareholding:

The Distribution of shareholding as on March 31, 2016:

| Shareholding of Nominal Value | | Shareholders | | Share Amount | |
|----------------------------------|-------------|--------------|---------------|--------------------|---------------|
| ₹ | ₹ | Number | % of Total | (In ₹) | % of Total |
| Up-to | - 5,000 | 8,799 | 95.207 | 40,52,880 | 5.512 |
| 5,001 | - 10,000 | 175 | 1.894 | 13,16,680 | 1.791 |
| 10,001 | - 20,000 | 119 | 1.288 | 18,23,980 | 2.481 |
| 20,001 | - 30,000 | 44 | 0.476 | 11,00,190 | 1.496 |
| 30,001 | - 40,000 | 23 | 0.249 | 8,13,250 | 1.106 |
| 40,001 | - 50,000 | 12 | 0.13 | 5,65,350 | 0.769 |
| 50,001 | - 1,00,000 | 27 | 0.292 | 19,97,940 | 2.717 |
| 1,00,001 | - and above | 43 | 0.465 | 6,18,59,240 | 84.128 |
| TOTAL | | 9,242 | 100.00 | 7,35,29,510 | 100.00 |

Shareholding pattern as on March 31, 2016:

| Category | No. of Shareholders | No. of Shares held | Percentage |
|---------------------------|---------------------|--------------------|------------|
| Promoters | 5 | 45,78,535 | 62.27 |
| FIs, Banks & Mutual Funds | 36 | 2,59,994 | 3.53 |
| Others (Public) | 9,201 | 25,14,422 | 34.20 |

xii. Dematerialization of shares and liquidity :

95.50% of share capital has been dematerialized as on March 31, 2016.

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

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

xiv. Foreign exchange risk and hedging activities:

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

xv. Plant locations:

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

xvi. Engineering, Procurement and Construction Division:

| | Name | Item | Address for correspondence |
|-----|-------------|-----------------|---|
| (a) | Isgec | Boilers | A-5, A-7 and A-8, Sector - 63 Noida - 201301, U.P. |
| (b) | Isgec | Sugar Machinery | A-4, Sector - 24, Noida - 201301, U.P. |
| (c) | Isgec | EPC Projects | A-4, Sector - 24, Noida - 201301, U.P. |

xvii. Address for correspondence:**Corporate Office:**

A-4, Sector - 24,
Noida - 201 301, U.P.
Tel. : +91-120-408 5001/ 5002
Fax.: +91-120-241 2250
e-mail: skkhorana@isgec.com

Registered Office:

Radaur Road,
Yamunanagar-135 001,
Haryana.
Tel: 01732-661061/ 62
email : roynr@isgec.com

10. Disclosures

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large:

Nil.

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

None.

- iii. Vigil Mechanism/Whistle Blower Policy:

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

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements and adoption of the non-mandatory requirements:

- v. Subsidiary Company:

The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at web link namely <http://www.isgcec.com/aboutus-policy-dms.asp?lk=ab18>. There is no material subsidiary of the company.

- vi. Related Party Transactions:

The Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is disclosed on the Company's website at web link namely <http://www.isgcec.com/aboutus-policy-related-parted.asp?lk=ab16>

- vii. Disclosure of commodity price risks and commodity hedging activities:

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

The Company manages the commodity risks by a number of methods including Rate Contracts with suppliers, back to back offers from suppliers prior to booking customers' orders, bulk purchases and using global sourcing options.

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

Not Applicable.

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

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

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

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

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

As required under para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the year ended March 31, 2016.

Aditya Puri

Managing Director

(DIN: 00052534)

Dated : 26th May, 2016

Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Listing Agreement

To,

The Members of Isgec Heavy Engineering Limited

We have examined the compliance of conditions of Corporate Governance by **Isgec Heavy Engineering Limited** ('the Company') for the year ended on March 31, 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the directors and the management of the Company we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

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

K K Tulshan
Partner
Membership No. 085033

Place: Noida

Date: 26th May, 2016

Form AOC-1

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

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

Part " A " : Subsidiaries

(₹ in lacs)

| Description | 2015-16 | | | | | | 2014-15 | | | | | | | |
|-------------|----------------------------------|---|---|---|---|---|---|--|---|---|---|---|---|---|
| | Isgec Covema Limited | Isgec Exports Limited | Saraswati Sugar Mills Limited | Isgec Engineering & Projects Limited | Free Look Software Private Limited | Isgec Hitachi Zosen Limited | Isgec Foster Wheeler Private Limited* | Isgec Titan Metal Fabricators Private Limited* | Isgec Covema Limited | Isgec Exports Limited | Saraswati Sugar Mills Limited | Isgec Engineering & Projects Limited | Free Look Software Private Limited | Isgec Hitachi Zosen Limited |
| 1 | Name of the Subsidiary Companies | Year Ended 31 st March, 2016 | Year Ended 31 st March, 2016 | Year Ended 31 st March, 2016 | Year Ended 31 st March, 2016 | Year Ended 31 st March, 2016 | Period Ended 31 st March, 2016 | Period Ended 31 st March, 2016 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2015 |
| 2 | Reporting Period | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees |
| 3 | Reporting Currency | | | | | | | | | | | | | |
| 4 | Share Capital | 200.00 | 10.00 | 709.99 | 400.00 | 2.47 | 10,000.00 | 200.00 | 200.00 | 10.00 | 709.99 | 360.00 | 2.18 | 10,000.00 |
| 5 | Reserves & surplus | 65.25 | 96.27 | 12,837.51 | (3.52) | 774.86 | 637.53 | 71.03 | 71.03 | 92.39 | 13,898.92 | 0.36 | 620.21 | (512.85) |
| 6 | Total Assets | 304.74 | 106.55 | 57,642.74 | 399.70 | 778.10 | 27,146.84 | 278.20 | 278.20 | 102.67 | 46,848.40 | 362.52 | 622.61 | 29,592.30 |
| 7 | Total Liabilities | 39.49 | 0.29 | 44,095.24 | 3.22 | 0.78 | 16,509.31 | 7.17 | 7.17 | 0.29 | 32,239.49 | 2.16 | 0.23 | 20,105.16 |
| 8 | Investments | - | - | 305.35 | - | - | - | - | - | - | 960.35 | - | - | - |
| 9 | Turnover ** | 250.38 | 6.06 | 40,746.71 | 5.52 | 2.08 | 28,028.23 | 6.02 | 6.02 | 5.40 | 39,151.02 | 0.34 | - | 33,346.02 |
| 10 | Profit/(Loss) before Taxation | (8.37) | 5.62 | (1,536.74) | (3.80) | 1.80 | 1,633.55 | (2.61) | (10.48) | 4.76 | (4,520.24) | (0.03) | (0.30) | 1,451.29 |
| 11 | Provision for Taxation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | a. Current Tax | - | 1.74 | - | 1.07 | 0.56 | - | - | - | 1.49 | - | - | - | - |
| | b. Deferred Tax | (2.59) | - | (475.31) | (0.99) | - | 467.37 | (3.24) | (3.24) | - | (1,408.79) | - | - | 321.93 |
| | c. Taxes for earlier year | - | - | - | - | - | 15.80 | - | - | - | - | - | - | - |
| 12 | Profit/(Loss) after Taxation | (5.78) | 3.88 | (1,061.43) | (3.88) | 1.24 | 1,150.38 | (1.80) | (7.24) | 3.27 | (3,111.45) | (0.03) | (0.30) | 1,129.37 |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | % of shareholding | 100% | 100% | 100% | 100% | 100% | 51% | 100% | 100% | 100% | 100% | 100% | 100% | 51% |

* This is the first balance sheet of the company where figures reported are from the date of incorporation to 31st March 2016. Hence, no comparative figures are given.

** Includes Other Income

Notes :

1. Names of subsidiaries which are yet to commence operations : Nil

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

Part " B " : Associates and Joint Ventures- Isgec Hitachi Zosen Ltd., Isgec Foster Wheeler Boilers Private Limited and Isgec Titan Metal Fabricators Private Limited are also Joint Venture Company.

ANNEXURE 9

STATEMENT OF INFORMATION TO BE FURNISHED PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND
RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)

| | | | | |
|-------|--|---|-------------------|------------|
| (i) | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | 1) Mr. Ranjit Puri (Chairman) | 0.24 | |
| | | 2) Mr. Aditya Puri (Managing Director) | 292 | |
| | | 3) Mrs. Nina Puri (Whole Time Director) | 292 | |
| | | 4) Mr. Vinod K. Nagpal (Independent Director) | 0.29 | |
| | | 5) Mr. Tahir Hasan (Independent Director) | 0.22 | |
| | | 6) Mr. Arun Kathpalia (Independent Director) | 0.29 | |
| | | 7) Mr. Vinod Kumar Sachdeva (Independent Director) | 0.22 | |
| | | 8) Mr. Sidharth Prasad (Independent Director) | 0.12 | |
| (ii) | the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | 1) Mr. Ranjit Puri (Chairman) | 60% | |
| | | 2) Mr. Aditya Puri (Managing Director) | 21.9% | |
| | | 3) Mrs. Nina Puri (Whole Time Director) | 21.9% | |
| | | 4) Mr. Vinod K. Nagpal (Independent Director) | 30% | |
| | | 5) Mr. Tahir Hasan (Independent Director) | 47% | |
| | | 6) Mr. Arun Kathpalia (Independent Director) | 43% | |
| | | 7) Mr. Vinod Kumar Sachdeva (Independent Director) | 47% | |
| | | 8) Mr. S. K. Khorana (Company Secretary) | 9.7% | |
| | | 9) Mr. Kishore Chatnani (Chief Financial Officer) | 20% | |
| (iii) | the percentage increase in the median remuneration of employees in the financial year; | 6.8% | | |
| (iv) | the number of permanent employees on the rolls of company; | 3,061 as on 31 st March 2016 (3,066 as on 31 st March 2015) | | |
| (v) | the explanation on the relationship between average increase in remuneration and company performance; | Average increase in remuneration of Employees is 7.98%. The profit before tax of the company has increased by 21% | | |
| (vi) | comparison of the remuneration of the Key Managerial Personnel against the performance of the company; | The Remuneration of Mr. Aditya Puri (Managing Director) and Mrs. Nina Puri (Whole Time Director) during the year was ₹ 1,489 Lacs each against the Net Profit before tax of the company of ₹ 26,512 Lacs. | | |
| (vii) | variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year; | | 31.03.2016 | 31.03.2015 |
| | | Market Capitalisation (₹ Lakhs) as on | 3,01,140 | 4,13,603 |
| | | Price to Earning Ratio (standalone earnings) | 17.31 | 28.88 |
| | | Networth (₹ Lakhs) - Standalone | 92,605 | 76,976 |

| | | | | | | |
|--------|---|---|--------------------------|----------------------------|--------------------------------|--------------------------|
| (viii) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average increase in salaries of employees other than managerial personnel in 2015-16 was 7.98%. Percentage increase in Managerial Remuneration for the year is 21.9%. | | | | |
| (ix) | comparison of remuneration of each of the Key Managerial Personnel against the performance of the company; | Particulars | Managing Director | Whole Time Director | Chief Financial officer | Company Secretary |
| | | Remuneration (₹ in lacs) | 1,489.38 | 1,489.38 | 64.64 | 101.38 |
| | | Revenue (₹ in lacs) | 3,92,752 | 3,92,752 | 3,92,752 | 3,92,752 |
| | | Remuneration (as % of revenue) | 0.38% | 0.38% | 0.02% | 0.03% |
| | | Profits before tax (PBT) (₹ in lacs) | 26,512.44 | 26,512.44 | 26,512.44 | 26,512.44 |
| | | Remuneration (as % of PBT) | 5.62% | 5.62% | 0.24% | 0.38% |
| (x) | the key parameters for any variable component of remuneration availed by the directors; | The Managing Director and the Whole Time Director are paid remuneration by way of monthly salary and commission, which is a percentage of the profit. The total remuneration of the Managing Director is 5% of the profit of the company. The total remuneration of the whole time director is also 5% of the profit of the company. The profit for this purpose is determined as per Section 198 of the Companies Act, 2013. | | | | |
| (xi) | the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; | There is no employee who received higher remuneration than the highest paid director. | | | | |
| (xii) | affirmation that the remuneration is as per the remuneration policy of the company. | Remuneration is paid as per the remuneration policy of the company . | | | | |

Particulars of Employees under Section 197(12) of the Companies Act, 2013 and rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as on 31st March 2016

(A) Employed throughout the year and were in receipt of Remuneration aggregating not less than ₹ 60,00,000/- per year.

| Sl. No. | Name of Employee | Age | Qualification | Experience in years | Date of Commencement of Employment | Designation | Remuneration (Amount in ₹) | Last Employment | | Nos. of Shares held in the Co.* | % of Share held to total Share Capital of Co. |
|---------|------------------------|-----|---|---------------------|------------------------------------|---|----------------------------|--|-------------------------|---------------------------------|---|
| | | | | | | | | Name of Employer | Post Held | | |
| 1 | Awasthi, Sanjay | 47 | B.Sc., ANSI Master | 28 | 19.04.2008 | Business Head- Sugar Machinery Division | 64,12,681 | Bajaj Hindustan Ltd | Vice President | 50 | 0.0007% |
| 2 | Chatnani, Kishore | 49 | B.E., MBA | 26 | 01.04.2007 | Chief Financial Officer | 64,64,450 | Saraswati Sugar Mills Ltd. | Vice President | 50 | 0.0007% |
| 3 | Gupta, Mahesh | 53 | BE (Mech.), M. Tech. | 29 | 27.07.1991 | Chief Operating Officer- Steel Casting Division | 69,86,225 | M/ s. Bhartiya Caccia Lanza Fire System Ltd. | Works Manager | 200 | 0.0027% |
| 4 | Jaidka, Ravi | 69 | B.E. (Mech.) Hons. | 47 | 04.07.1968 | Executive Director | 94,52,648 | - | - | 200 | 0.0027% |
| 5 | Jain, Suman Kumar | 50 | B.E. (Mech.) | 29 | 29.02.1988 | Group Head - Utility Boilers, Product Packages & New Technology Development | 69,41,812 | SIMCO, Bharatpur | Engineer | 187 | 0.0025% |
| 6 | Khorana, S.K. | 69 | B.Com. (Hons.), M.Com., F.C.A., F.C.S. | 45 | 01.02.1975 | Executive Director & Company Secretary | 1,01,38,054 | Jay Engineering Works Ltd. | Officer on Special duty | 1,920 | 0.0261% |
| 7 | Luthra, V.K. | 55 | Post Diploma in Mechanical Engineering | 34 | 16.01.1985 | Business Head- Industrial & Green Energy Boiler Division | 77,71,865 | Bandekar Engineers | Sales Engineer | - | - |
| 8 | Marwaha, Yogesh | 51 | BE, PEDIM | 28 | 23.10.2000 | Head- Export Marketing | 65,02,272 | Cimmco, Delhi | Sr. Manager | - | - |
| 9 | Pilli, Lazar | 54 | B.E., MBA | 32 | 21.03.2008 | Head- Corporate H R | 63,68,393 | Marg Infrastructure Ltd. | Vice President -HR | - | - |
| 10 | Puri, Aditya | 48 | B.A. (Hons.), M.A. (CANTAB) ECON from Cambridge University (U.K.) | 24 | 01.10.1991 | Managing Director | 14,89,38,209 | - | - | 4,56,808 | 6.2126% |
| 11 | Puri, Nina | 72 | B.A. (Hons.), M.A., Ph. D. | 46 | 16.02.2007 | Whole-time Director | 14,89,38,209 | - | - | 6,75,154 | 9.1821% |
| 12 | Sanjay, P.V. Narasimha | 50 | BE (Mech.) | 30 | 28.01.2010 | Business Head - EPC Power Plant Division | 76,84,220 | NELCO | Business Head | - | - |
| 13 | Someja, Praveen | 57 | B.E., MBA | 35 | 13.06.2011 | Head- Corporate Planning | 68,72,565 | Deeya Energy | Director | - | - |

| Sl. No. | Name of Employee | Age | Qualification | Experience in years | Date of Commencement of Employment | Designation | Remuneration (Amount in ₹) | Last Employment | Nos. of Shares held in the Co.* | % of Share held to total Share Capital of Co. |
|---------|------------------|-----|--------------------|---------------------|------------------------------------|-------------------------------------|----------------------------|-------------------------------|---------------------------------|---|
| 14 | Verma, V.D. | 74 | B.A., LLB | 55 | 01.01.2015 | Head - Corporate Legal | 75,44,247 | Saraswati Sugar Mills Limited | 4,722 | 0.0642% |
| 15 | Vishwanathan, K. | 58 | M.E. (Mech.), PGDM | 36 | 01.12.2010 | Head - Engineering, Utility Boilers | 74,52,925 | Alstom India | - | - |

(B) Employed for part of the year and were in receipt of Remuneration aggregating not less than Rs.5,00,000 per month

| Sl. No. | Name of Employee | Age | Qualification | Experience in years | Date of Commencement of Employment | Designation | Remuneration (Amount in ₹) | Last Employment | Nos. of Shares held in the Co.* | % of Share held to total Share Capital of Co. |
|---------|------------------|-----|------------------------------|---------------------|------------------------------------|--------------------------|----------------------------|--|---------------------------------|---|
| 1 | Dutta, P.K. | 64 | M.E. | 38 | 01.10.1981 | Associate Vice President | 12,42,249 | Garden Reach Shipbuilders & Engineers Ltd. | - | - |
| 2 | Talwar, L.M. | 69 | B.Sc. Engg. Elect., A.S.T.A. | 47 | 01.08.1968 | Executive Director | 51,67,564 | - | - | - |

NOTES : 1. **Nature of Employment :** All appointments are/were contractual and terminatable by notice on either side.

2. **Other Terms and conditions :** As per Company rules.

3. All the employees have adequate experience to discharge the responsibilities assigned to them.

4. None of the employees mentioned above is the relative of any director of the company, excepting Shri Aditya Puri, Managing director and Smt. Nina Puri, Whole-time Director who are related to each other and to Shri Ranjit Puri, Chairman.

5. Remuneration includes, salary, company's contribution to provident fund, leave travel concession/allowance, leave encashment, house rent allowance/assistance, medical expenses reimbursement/allowance but excluding gratuity paid or provided and provision for pension. Where it is not possible to ascertain the actual expenditure incurred by the company in providing perquisites the monetary value of such perquisites has been calculated in accordance with the Income Tax Act, 1961 and the Rules made thereunder.

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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule

No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Isgec Heavy Engineering Limited

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

Based on my verification of the **Isgec Heavy Engineering Limited** (name of the Company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Isgec Heavy Engineering Limited** ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
 - (ii) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct investment, overseas Direct investment and external commercial borrowing;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
-

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) following are some other laws specifically applicable to the company:-
- (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936, and rules made there under,
 - (c) The Minimum Wages Act, 1948, and rules made there under,
 - (d) Employees' State Insurance Act, 1948, and rules made there under,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - (f) The Payment of Bonus Act, 1965, and rules made there under,
 - (g) Payment of Gratuity Act, 1972, and rules made there under,
 - (h) The Contract Labour (Regulation and Abolition) Act, 1970
 - (i) The Industrial Employment (Standing Order), 1946
 - (j) The Workmen Compensation Act, 1923
 - (k) The Apprentice Act, 1961
 - (l) Industrial Dispute Act, 1947
 - (m) Environment Protection Act, 1986;
 - (n) The Water (Prevention & Control of Pollution) Act 1974 read with Water (Prevention & Control of Pollution) Rules 1975
 - (o) Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
 - (p) Disposal of Hazardous Waste Rules.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with BSE Ltd.;
-

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, I report that there were no instances of:

- I. Public/Right/Preferential issue of shares/debentures/sweat equity etc.
- II. Redemption/buy back of securities.
- III. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

Place: Delhi
Dated: 26th May, 2016

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

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Isgec Heavy Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

K K Tulshan
Partner

Place: Noida

Date: 26th May, 2016

Membership No. 085033

Annexure A to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited dated 26th May, 2016

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Company has physically verified these fixed assets as per its program of physical verification that covers every item of fixed assets over a period of three years except for certain building and vehicles situated in Pakistan (carrying value of ₹ 1) . No material discrepancies were noticed on such verification;
 - (c) The title deeds of immovable properties are held in the name of the Company, as verified from the photocopies of original title deeds. The original title deeds are pledged with banks as security against term loans.
 - (ii) The physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such physical verification;
 - (iii) The Company has not given any loan, secured or unsecured to Companies, firms, or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, clauses (iii)(a), (iii)(b) and (iii)(c) of the Order is not applicable to the Company;
 - (iv) The Company has not granted any loan to Directors in terms of Section 185 of the Companies Act, 2013 (Act). Further, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investments, guarantees and security made;
 - (v) As per information and explanation provided to us, the Company has not accepted any public deposits during the year. Further, we have not come across any such deposit(s) nor the management has reported any such deposit(s), therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable;
 - (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained;
-

- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) The particulars of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute are as under:

| Name of Statute | Duty/Tax | Year | Forum where dispute is pending | Amount (₹ in lacs) As at 31st March, 16 | Amount (₹ in lacs) As at 31st March, 15 |
|--------------------|-------------|---------|--|--|--|
| Central Excise Act | Excise Duty | 1994-95 | Hon'ble High Court, Allahabad | 5.00 | 5.00 |
| | | 1994-96 | Tribunal New Delhi | 8.00 | 8.00 |
| | | 2002-10 | CESTAT, New Delhi | 8.58 | 53.25 |
| | | 2009-13 | Joint Commissioner Central Excise, Muzaffarnagar | 14.92 | 14.98 |
| | | 2013-14 | Joint Commissioner Central Excise, Muzaffarnagar | 2.90 | 3.00 |
| Service Tax | Service Tax | 2004-06 | CESTAT, New Delhi | 6.00 | 6.00 |
| | | 2005-07 | CESTAT, New Delhi | 22.31 | 22.31 |
| | | 2008-09 | CESTAT, New Delhi | 8.36 | 8.36 |
| | | 2009-12 | Commissioner Central Excise (Panchkula) | 63.56 | 63.56 |
| | | 2011-12 | Commissioner Central Excise (Panchkula) | 61.28 | 61.28 |
| | | 2008-09 | Commissioner, Central Excise (Vadodara) | 60.31 | 60.31 |
| | | 2008-13 | Commissioner Central Excise (Panchkula) | 36.97 | 36.97 |
| | | 2011-12 | Commissioner Central Excise (Panchkula) | 25.56 | 25.56 |
| | | 2007-10 | Commissioner Central Excise (Panchkula) | 9.22 | 9.22 |
| | | 2008-09 | Commissioner Central Excise (Panchkula) | 9.69 | 9.69 |
| | | 2014-15 | Commissioner Central Excise (Panchkula) | 45.14 | - |
| | | 2011-12 | Commissioner(Appeals) Delhi | 0.17 | - |

| Name of Statute | Duty/Tax | Year | Forum where dispute is pending | Amount (₹ in lacs) As at 31st March, 16 | Amount (₹ in lacs) As at 31st March, 15 |
|--------------------------------------|------------------------------|---------|--|--|--|
| Sales Tax Act | Sales Tax | 1993-94 | Sales Tax Tribunal, Orissa | 9.02 | 9.02 |
| | | 1995-96 | Sales Tax Tribunal, Orissa | 17.00 | 17.00 |
| | | 1996-97 | Sales Tax Tribunal, Orissa | 5.00 | 5.00 |
| | | 1992-93 | Appellant Tribunal - West Bengal | 90.00 | 90.00 |
| | | 1993-94 | Appellant Tribunal - West Bengal | 155.00 | 155.00 |
| | | 1971-73 | Commissioner Sales Tax, Lucknow | 6.00 | 6.00 |
| | | 1987-88 | Dy Comm. of Commercial Taxes, Kolkata | 4.00 | 4.00 |
| | | 1995-96 | Dy Comm. of Commercial Taxes, Kolkata | 34.00 | 34.00 |
| | | 1994-95 | Commercial Tax Officer, Kolkata | 61.00 | 61.00 |
| | | 2006-07 | Dy Comm. Of Commercial Tax, Tamilnadu | 0.82 | 0.82 |
| | | 2007-08 | Dy Comm. Of Commercial Tax, Tamilnadu | - | 2.41 |
| | | 2008-09 | Dy Comm. Of Commercial Tax, Tamilnadu | - | 0.58 |
| | | 2009-10 | Joint Comm. of Commercial Taxes, Kolkata | 4.72 | 4.72 |
| | | 2009-10 | Joint Comm. of Commercial Taxes, Kolkata | 9.51 | 9.51 |
| | | 2009-12 | Additional commissioner of Central Excise-UP | 76.05 | - |
| | | 2008-09 | Additional commissioner of Central Excise-UP | - | 320.42 |
| | | 2008-09 | Additional commissioner of Central Excise-UP | 6.62 | 6.62 |
| 2015-16 | Excise & Tax Officer, Punjab | 7.44 | - | | |
| Local Area development Tax Act, 2002 | Local area tax | 2006-07 | Hon'ble High Court of Punjab & Haryana | 14.00 | 14.00 |
| Haryana State Pollution Control Law | Water Cess | 1992-93 | Hon'ble Supreme Court of India | 15.28 | 13.20 |
| | | | Total | 903.43 | 1140.79 |

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures;
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans were applied for the purposes for which those are raised;
- (x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;

- (xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable;
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

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

K K Tulshan
Partner
Membership No. 085033

Place: Noida

Date: 26th May, 2016

Annexure B to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited dated 26th May, 2016

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

We have audited the internal financial controls over financial reporting of **Isgec Heavy Engineering Limited** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

K K Tulshan
Partner

Membership No. 085033

Place: Noida

Date: 26th May, 2016

BALANCE SHEET as at 31st March, 2016

(₹ in lacs)

| Particulars | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|------------------------------------|----------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 735.29 | 735.29 |
| (b) Reserves and Surplus | 2 | 91,870.13 | 76,240.77 |
| | | 92,605.42 | 76,976.06 |
| (2) Non-current Liabilities | | | |
| (a) Long-term Borrowings | 3 | - | 1,648.33 |
| (b) Deferred Tax Liabilities (Net) | 4 | 625.93 | 1,156.12 |
| (c) Other Long-term Liabilities | 5 | 15,537.83 | 14,025.69 |
| (d) Long-term Provisions | 6 | 12,103.96 | 13,965.90 |
| | | 28,267.72 | 30,796.04 |
| (3) Current Liabilities | | | |
| (a) Short-term Borrowings | 7 | 29,651.00 | 22,192.96 |
| (b) Trade Payables | 8 | 1,33,820.39 | 1,03,076.09 |
| (c) Other Current Liabilities | 9 | 41,925.06 | 43,971.03 |
| (d) Short-term Provisions | 10 | 11,874.18 | 7,835.17 |
| | | 2,17,270.63 | 1,77,075.25 |
| Total | | 3,38,143.77 | 2,84,847.35 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | 11 | | |
| (i) Tangible Assets | | 41,326.53 | 35,012.93 |
| (ii) Intangible Assets | | 4,686.17 | 4,931.04 |
| (iii) Capital Work-in-progress | | 1,034.76 | 1,034.83 |
| | | 47,047.46 | 40,978.80 |
| (b) Non-current Investments | 12 | 14,185.26 | 13,838.56 |
| (c) Deferred Tax Assets (Net) | | - | - |
| (d) Long-term Loans and Advances | 13 | 1,649.94 | 1,039.27 |
| (e) Other Non-current Assets | 14 | 99.00 | - |
| | | 62,981.66 | 55,856.63 |
| (2) Current Assets | | | |
| (a) Current Investments | 15 | 52,922.29 | 33,876.14 |
| (b) Inventories | 16 | 30,319.06 | 40,427.04 |
| (c) Trade Receivables | 17 | 1,39,768.00 | 92,656.77 |
| (d) Cash and Bank Balances | 18 | 28,964.01 | 37,134.82 |
| (e) Short-term Loans and Advances | 19 | 22,465.53 | 23,812.90 |
| (f) Other Current Assets | 20 | 723.22 | 1,083.05 |
| | | 2,75,162.11 | 2,28,990.72 |
| Total | | 3,38,143.77 | 2,84,847.35 |
| Notes to the Financial Statements | 1 to 44 | | |

The Notes referred to above form an integral part of the financial statements

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida

Dated : 26th May, 2016

Vinod Kumar Sachdeva

Director

DIN: 00454458

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016
(₹ in lacs)

| Particulars | Note No. | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|----------|--------------------------|--------------------------|
| I. Revenue from Operations | 22 | 3,96,088.72 | 3,33,225.03 |
| Less: Excise Duty | | 8,209.90 | 5,482.93 |
| | | 3,87,878.82 | 3,27,742.10 |
| II. Other Income | 23 | 4,873.18 | 4,231.41 |
| III. Total Revenue | | 3,92,752.00 | 3,31,973.51 |
| IV. Expenses: | | | |
| (a) Cost of Material Consumed | 24 | 43,868.16 | 49,031.06 |
| (b) Purchase of goods for resale | | 1,92,351.82 | 1,50,924.63 |
| (c) Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - trade | 25 | 7,556.93 | (2,662.12) |
| (d) Employee Benefits Expense | 26 | 25,315.54 | 22,352.55 |
| (e) Finance Costs | 27 | 1,967.74 | 1,770.82 |
| (f) Depreciation | 11 | 6,430.08 | 7,184.30 |
| (g) Erection & Civil Cost | | 28,950.94 | 23,493.89 |
| (h) Other Expenses | 28 | 59,798.35 | 58,046.40 |
| Total Expenses (IV) | | 3,66,239.56 | 3,10,141.53 |
| V. Profit before Tax (III-IV) | | 26,512.44 | 21,831.98 |
| VI. Tax Expense: | | | |
| (a) Current Tax | 29 | 9,643.31 | 8,122.90 |
| (b) Deferred Tax | 4 | (530.19) | (610.29) |
| | | 9,113.12 | 7,512.61 |
| VII. Profit after Tax for the year (V-VI) | | 17,399.32 | 14,319.37 |
| VIII. Basic /Diluted earning per share of ₹ 10 Each (₹) | 30 | 236.63 | 194.74 |
| Notes to the financial statements | 1 to 44 | | |

The Notes referred to above form an integral part of the financial statements

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida

Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

CASH FLOW STATEMENT for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| A. Cash flow from Operating activities: | | |
| Net (loss)/profit before tax but after exceptional /extraordinary items | 26,512.44 | 21,831.98 |
| Adjustments for: | | |
| Depreciation | 6,430.13 | 7,184.37 |
| Interest Expense | 1,967.74 | 1,770.82 |
| Interest Income | (3,106.02) | (2,895.47) |
| Income from Investment - Dividends | (0.15) | (0.07) |
| Provision for devaluation of store/investment | 22.76 | - |
| (Profit)/Loss on Fixed Assets sold (Net) | 13.18 | (13.57) |
| (Profit)/Loss on Sale of Investment | (1,544.71) | (963.64) |
| Debts / Advances Written off | 340.83 | 13.09 |
| Liability no longer required written back | (412.58) | (540.74) |
| Operating profit before working capital changes | 30,223.62 | 26,386.77 |
| Adjustments for changes in working capital : | | |
| - (Increase)/Decrease in Trade Receivables | (47,452.06) | (13,827.82) |
| - (Increase)/Decrease in Other Receivables | 653.93 | (1,458.09) |
| - (Increase)/Decrease in Inventories | 10,085.22 | 1,422.08 |
| - Increase/(Decrease) in Trade, Other Payables and Provisions | 34,829.36 | 29,620.82 |
| Cash generated from operations | 28,340.07 | 42,143.76 |
| - Taxes (Paid) / Received (Net of TDS) | (9,746.33) | (7,674.45) |
| Net cash from operating activities | 18,593.74 | 34,469.31 |
| B. Cash flow from Investing Activities | | |
| Purchase of Fixed Assets | (12,573.52) | (4,705.09) |
| Proceeds from Sale of Fixed Assets | 61.55 | 98.37 |
| Sale/(Purchase) of Investments | (17,848.14) | (20,062.58) |
| Dividend Received | 0.15 | 0.07 |
| Interest Received (Revenue) | 3,449.62 | 3,930.89 |
| Net cash used in investing activities | (26,910.34) | (20,738.34) |

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| C Cash flow from Financing activities: | | |
| Proceeds/(Repayment) from Secured loans | (4,158.30) | (4,634.52) |
| Proceeds/(Repayment) of Unsecured loans | 8,243.70 | (7,585.52) |
| Interest and other Borrowing cost Paid | (2,176.01) | (1,955.97) |
| Dividend Paid | (1,464.24) | (1,247.00) |
| Dividend Tax paid | (299.37) | (234.49) |
| Net cash used in financing activities | 145.78 | (15,657.49) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (8,170.82) | (1,926.52) |
| Cash and cash equivalents at the beginning of the year | 37,134.82 | 39,061.34 |
| Cash and cash equivalents at the end of the year | 28,964.01 | 37,134.82 |
| Cash and cash equivalents comprise | | |
| Cash, Cheques & Drafts (in hand) and Remittances in transit | 31.41 | 38.99 |
| Current Account (Dividend Account) | 114.45 | 108.09 |
| Balance with Scheduled Banks | 1,292.10 | 2,227.71 |
| Term Deposit & Margin Money with Banks (against Bank Guarantees & Letters of Credit issued by Banks) | 27,526.05 | 34,760.03 |
| | 28,964.01 | 37,134.82 |

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method setout in Accounting Standard - 3.
- 2 Figures in brackets indicate cash outgo.
- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 1 : SHARE CAPITAL

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|-------------|---------------------|-------------|
| | Number of shares | (₹ in lacs) | Number of shares | (₹ in lacs) |
| Authorised | | | | |
| Equity shares of ₹ 10/-each with voting rights | 85,00,000 | 850.00 | 85,00,000 | 850.00 |
| Issued | | | | |
| Equity shares of ₹ 10/-each with voting rights | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| Subscribed and Fully Paid-up | | | | |
| Equity shares of ₹ 10/-each with voting rights | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| | 73,52,951 | 735.29 | 73,52,951 | 735.29 |

Notes:

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

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

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|--------------|---------------------|--------------|
| | Number of shares | (₹ in lacs) | Number of shares | (₹ in lacs) |
| Equity Shares outstanding at the beginning of the year | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| Add: Issued during the year | - | - | - | - |
| Less: Shares bought back | - | - | - | - |
| Equity Shares outstanding at the close of the year | 73,52,951 | 735.29 | 73,52,951 | 735.29 |

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

| Class of Shares / Name of the shareholders: | As at 31.03.2016 | | As at 31.03.2015 | |
|--|--------------------------|---|--------------------------|---|
| | 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 Ltd. | 32,96,526 | 44.83% | 32,96,526 | 44.83% |
| (ii) Mr. Ranjit Puri (individually and/or jointly with others) | 6,59,201 | 8.97% | 6,59,201 | 8.97% |
| (iii) Mr. Aditya Puri (individually and/or jointly with others) | 4,56,808 | 6.21% | 4,56,808 | 6.21% |
| (iv) Mr. Ranjan Tandon (individually and/or jointly with others) | 4,38,900 | 5.97% | 4,38,900 | 5.97% |

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

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--------------------------|---------|---------|---------|---------|---------|
| Fully paid Equity Shares | - | - | 16,589 | - | - |

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

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 2 : RESERVES AND SURPLUS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (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 close 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 close of the year | 3.24 | 3.24 |
| (c) Securities Premium Account | | |
| Balance outstanding at the beginning of the year | 450.22 | 450.22 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the close of the year | 450.22 | 450.22 |
| (d) General Reserve | | |
| Balance outstanding at the beginning of the year | 17,439.54 | 16,007.60 |
| Add: Additions during the year | - | 1,431.94 |
| Less: Utilised during the year | - | - |
| Balance outstanding at the close of the year | 17,439.54 | 17,439.54 |
| (e) Surplus in Statement of Profit and Loss | | |
| Balance outstanding at the beginning of the year | 58,347.76 | 47,613.80 |
| Add: Additions during the year | 17,399.32 | 14,319.37 |
| Less: Appropriations | | |
| - Proposed Dividend - @ ₹ 10 /- per share (Previous year @ ₹ 10/- per share) | 735.30 | 735.30 |
| - Interim Dividend @ ₹ 10/- per share (Previous year @ ₹ 10/- per share) | 735.30 | 735.30 |
| - Dividend Tax | 299.36 | 296.70 |
| - Adjustment for Depreciation | - | 386.17 |
| - Transfer to General Reserve | - | 1,431.94 |
| Balance outstanding at the close of the year | 73,977.12 | 58,347.76 |
| Total | 91,870.13 | 76,240.77 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 3 : LONG-TERM BORROWINGS

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|--|---------------------|-----------|----------|---------------------|-----------|-----------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Term loan | | | | | | |
| (a) From Banks | | | | | | |
| External Commercial Borrowings refer note-3.1 below | - | - | - | 1,648.33 | - | 1,648.33 |
| TOTAL | - | - | - | 1,648.33 | - | 1,648.33 |

Note 3.1 : Details of Term Loans from Banks

(₹ in lacs)

| Initial Loan Amount | Loan outstanding as at 31.03.16 | Current maturity | Long term | Rate of Interest (p.a.) | Term of repayment | Security |
|---------------------|--------------------------------------|--------------------------------------|-------------------------------|-------------------------|--|---|
| 5658.00 | - (730.83) | - (730.83) | - - | 8.23% | Repayable in quarterly installments. First installment of ₹ 176.81 lacs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lacs. Last installment was paid on 22.07.2015 | Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company. |
| 9890.00 | 1,648.33 (4,285.66) | 1,648.33 (2,637.33) | - (1,648.33) | 7.10% | Repayable in quarterly installments. First installment of ₹ 329.67 lacs was due and paid on 05.01.2013. The balance is payable in 14 quarterly installments of ₹ 659.33 lacs and last installment of ₹ 329.67 lacs, which is due on 05.10.2016 | Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company. |
| Total | 1,648.33 (5,016.49) | 1,648.33 (3,368.16) | - (1,648.33) | | | |

Note 3.2 : Figures in parenthesis pertain to previous year.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 4 : DEFERRED TAX

The Company estimates the Deferred tax (charge)/ credit for the year using the applicable tax rate based on the impact of timing differences between items in the financial statements and the estimated taxable income for the current year. The movement in provision for Deferred tax is given below:-

(₹ in lacs)

| Element of Deferred Tax | As at 01.04.2014 | Credit / (Charge) during the year | As at 01.04.2015 | Credit / (Charge) during the year | As at 31.03.2016 |
|--|---------------------|--------------------------------------|---------------------|--|---------------------|
| Depreciation | (2,717.25) | 610.29 | (2,106.96) | 362.44 | (1,744.52) |
| Depreciation charged to Retained Earning | - | 198.84 | 198.84 | - | 198.84 |
| Other Timing Differences | 752.00 | - | 752.00 | 167.75 | 919.75 |
| Net Deferred Tax | (1,965.25) | 809.13 | (1,156.12) | 530.19 | (625.93) |

Note 5 : OTHER LONG TERM LIABILITIES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Trade Payables | | |
| (i) To Micro & Small Enterprises | - | - |
| (ii) To Other than Micro & Small Enterprises | 6.25 | 6.25 |
| (b) Others: | | |
| (i) Advance from Customers | 15,317.44 | 13,810.95 |
| (ii) Security and Other Deposits | 214.14 | 208.49 |
| Total | 15,537.83 | 14,025.69 |

Note 6 : LONG-TERM PROVISIONS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Provision for Employee Benefits: | | |
| (i) Provision for Leave Encashment (unfunded) (Refer Note 26.1) | 1,786.23 | 1,305.32 |
| (ii) Provision for Pension (Unfunded) | 1,114.72 | 1,047.20 |
| (b) Provision Others | | |
| (i) Provision for Performance Warranties/ After Sales Service (refer note 6.1) | 9,203.01 | 11,613.38 |
| Total | 12,103.96 | 13,965.90 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 6.1 : Movement of provision for Liabilities

Disclosure in terms of Accounting Standard AS - 29 on Provisions, Contingent Liabilities and Contingent Assets:-

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|--|---------------------|
| (a) Movement of provision for Performance Warranties/ After Sales Services | | |
| (i) Opening Balance | 17,028.43 | 14,869.46 |
| (ii) Provided for during the Year | 5,094.02 | 5,422.53 |
| (iii) Used during the Year | (2,610.96) | (2,951.12) |
| (iv) Reversed during the Year | (673.22) | (312.44) |
| (v) Closing Balance | 18,838.27 | 17,028.43 |
| Break up of Closing Balance | | |
| Long term provisions | 9,203.01 | 11,613.38 |
| Short term provisions (refer note 10) | 9,635.26 | 5,415.05 |
| (b) Timing of outflow/uncertainties | Outflows will happen as and when claims are made by Customers. | |

Note 7 : SHORT-TERM BORROWINGS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Secured | | |
| (i) Cash Credit (refer note 7.1 and 7.2) | 3,829.35 | 3,455.46 |
| (ii) Packing Credit Loan from Banks (refer note 7.1 & 7.3) | | |
| -In Indian rupees | 14,000.00 | - |
| -In Foreign currency (US Dollars) | 2,321.65 | 17,485.68 |
| | 20,151.00 | 20,941.14 |
| (b) Unsecured | | |
| (i) Packing Credit Loan from Banks (refer note 7.3) | | |
| -In Indian rupees | 9,500.00 | - |
| -In Foreign currency (US Dollars) | - | 1,251.82 |
| | 9,500.00 | 1,251.82 |
| Total | 29,651.00 | 22,192.96 |

Note 7.1 : Secured by hypothecation of inventories and by a charge on book debts and other assets of the Company, in favour of working capital consortium bankers on pari passu basis.

Note 7.2 : Repayable on demand. Rates of interest vary from 10.60% to 12.90% p.a.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 7.3 : Average rate of interest on Packing Credit Loans from Banks is 0.97 % p.a in Foreign Currency (all loans are in USD) (previous year 1.13 % p.a) and 9.08 % p.a. in Indian Rupees (previous year not applicable)

Note 8 : TRADE PAYABLES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (a) To Micro & Small Enterprises (refer note 8.1) | 17.51 | 57.44 |
| (b) To Other than Micro & Small Enterprises | 1,33,299.61 | 1,02,998.14 |
| (c) To Related Parties | 503.27 | 20.51 |
| Total | 1,33,820.39 | 1,03,076.09 |

Note 8.1 : Trade Payables to Micro and Small Enterprises

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (a) Amount remaining unpaid to any supplier | | |
| Principal Amount | 17.51 | 57.44 |
| Interest due thereon | - | - |
| (b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006 | 0.09 | 0.03 |
| (c) Interest due (other than (b) above) | - | - |
| (d) Interest accrued and unpaid | - | - |
| (e) Interest due and payable till actual payment | - | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 9 : OTHER CURRENT LIABILITIES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Current maturities of long-term debt | | |
| (i) External Commercial Borrowing (refer note 3.1) | 1,648.33 | 3,368.16 |
| (b) Interest accrued but not due on borrowings | 96.47 | 304.74 |
| (c) Advance from customers | 32,500.73 | 32,789.84 |
| (d) Unpaid dividends | 114.45 | 108.09 |
| (e) Creditors for Capital expenditure | 241.69 | 179.10 |
| (f) Other creditors | 826.42 | 1,101.87 |
| (g) Other creditors related parties | 0.75 | 2.86 |
| (h) Statutory remittances | | |
| (i) Taxes Payable | 756.76 | 551.03 |
| (ii) Employees' related Statutory Remittances | 288.61 | 255.30 |
| (i) Security and Other Deposits | 102.60 | 89.04 |
| (j) Director's Current Account | 2.76 | 1.73 |
| (k) Book Overdraft | 2.63 | 7.11 |
| (l) Director's Remuneration | 2,893.13 | 2,362.36 |
| (m) Payables to Employees | 718.66 | 1,386.12 |
| (n) Other Liabilities | 1,731.07 | 1,463.68 |
| Total | 41,925.06 | 43,971.03 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 10: SHORT-TERM PROVISIONS

(₹ in lacs)

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---|------------------|---------------------|-----------------|
| | (a) Provision for Employee Benefits: | | | |
| (i) Provision for Leave Encashment (Unfunded) (refer note 26.1) | | 175.24 | | 150.32 |
| (ii) Provision for Pension (Unfunded) | | 102.71 | | 143.67 |
| (b) Provision Others | | | | |
| (i) Provision for Performance, Warranties/ After Sales Services (refer note 6.1) | | 9,635.26 | | 5,415.05 |
| (ii) Provision for Income Tax | | | | |
| Provision for Income Tax | 10,218.32 | | 8,625.75 | |
| Less: Prepaid Taxes | 9,252.96 | 965.36 | 7,557.37 | 1,068.38 |
| (iii) Provision for Proposed Equity Dividend | | 735.30 | | 735.30 |
| (iv) Provision for Tax on Proposed Dividend | | 149.68 | | 149.69 |
| (v) Provision for CSR Expenditure | | 110.63 | | 172.76 |
| Total | | 11,874.18 | | 7,835.17 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 11 : FIXED ASSETS

Note 11.1 : Fixed Assets - Owned

(₹ in lacs)

| | Gross Block | | | | Depreciation | | | | Net Block | | |
|-----------------------------------|--------------------------|------------------|-------------------------|------------------------------------|--------------------------|-------------------------------|-----------------|---------------------------------|------------------------------------|--------------------------|--------------------------|
| | Balance as at 01.04.2015 | Additions | Deductions/ Adjustments | Deduction of Assets Leased to IHZL | Balance as at 31.03.2016 | Transfer to Retained Earnings | For the year | Deduction on disposal of assets | Deduction on assets Leased to IHZL | Balance as at 31.03.2016 | Balance as at 31.03.2015 |
| Tangible Assets | | | | | | | | | | | |
| Free Hold Land | 2,982.09 | 6,633.78 | - | - | 9,615.87 | - | - | - | - | 9,615.87 | 2,982.09 |
| Lease Hold Land | 2,653.20 | - | - | - | 2,653.20 | 558.57 | 71.64 | - | - | 2,022.99 | 2,094.63 |
| Building | 13,132.66 | 1,776.12 | 15.32 | - | 14,893.46 | 4,490.88 | 801.82 | 3.81 | - | 9,604.57 | 8,641.78 |
| Plant and Equipment | 31,551.85 | 2,555.51 | 227.68 | - | 33,879.68 | 18,476.26 | 2,808.54 | 208.00 | - | 12,802.88 | 13,075.59 |
| Furniture & Fixture | 1,109.73 | 197.82 | 14.12 | - | 1,293.43 | 774.65 | 107.90 | 13.53 | - | 424.41 | 335.08 |
| Office Equipments | 3,293.10 | 521.68 | 150.71 | - | 3,664.07 | 2,690.61 | 398.78 | 145.40 | - | 720.08 | 602.49 |
| Vehicle | 1,406.67 | 179.17 | 164.85 | - | 1,420.99 | 881.34 | 200.18 | 128.72 | - | 468.19 | 525.33 |
| Total | 56,129.30 | 11,864.08 | 572.68 | - | 67,420.70 | 27,872.31 | 4,388.86 | 499.46 | - | 31,761.71 | 28,256.99 |
| Previous Year - Tangible Assets | 50,821.34 | 5,890.47 | 529.30 | 53.21 | 56,129.30 | 23,018.32 | 4,952.22 | 444.50 | 29.05 | 27,872.31 | 27,803.02 |
| Intangible Assets | | | | | | | | | | | |
| Software (acquired) | 1,973.77 | 709.51 | - | - | 2,683.28 | 1,074.65 | 305.92 | - | - | 1,380.57 | 899.12 |
| Technical Know How (acquired) | 6,582.77 | - | - | - | 6,582.77 | 2,552.78 | 646.53 | - | - | 3,199.31 | 4,029.99 |
| Total | 8,556.54 | 709.51 | - | - | 9,266.05 | 3,627.43 | 952.45 | - | - | 4,579.88 | 4,929.11 |
| Previous Year - Intangible Assets | 8,156.81 | 502.39 | 102.66 | - | 8,556.54 | 2,832.02 | 898.07 | 102.66 | - | 3,627.43 | 5,324.79 |
| Grand Total | 64,685.84 | 12,573.59 | 572.68 | - | 76,686.75 | 31,499.74 | 5,341.31 | 499.46 | - | 36,341.59 | 33,186.10 |
| Previous Year | 58,978.15 | 6,392.86 | 631.96 | 53.21 | 64,685.84 | 25,850.34 | 5,850.29 | 547.16 | 29.05 | 31,499.74 | 33,127.81 |

Notes :

1. Cost of software includes Purchase Price, Duties & Taxes (Other than recoverable from taxing authorities).
2. Useful Life of additions under Software is 5 years and for Technical Know How is 10 years.
3. IHZL stands for Isgec Hitachi Zosen Ltd.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 11.2 : Fixed Assets - Owned and Leased out to Isgec Hitachi Zosen Ltd.

(₹ in lacs)

| | Gross Block | | | | Depreciation | | | | Net Block | | |
|-----------------------------------|--------------------------|-----------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------------------|-----------------|---------------------------------|--------------------------|--------------------------|
| | Balance as at 01.04.2015 | Additions | Deductions/ Adjustments | Balance as at 31.03.2016 | Balance as at 01.04.2015 | Addition of Transfer in | Transfer to Retained Earnings | For the year | Deduction on disposal of assets | Balance as at 31.03.2016 | Balance as at 31.03.2015 |
| Tangible Assets | | | | | | | | | | | |
| Free Hold Land | - | - | - | - | - | - | - | - | - | - | - |
| Lease Hold Land | 132.65 | - | - | 132.65 | 11.11 | - | - | 1.33 | - | 12.44 | 121.54 |
| Building | 6,149.31 | - | - | 6,149.31 | 3,006.73 | - | - | 267.77 | - | 3,274.50 | 3,142.58 |
| Plant and Equipment | 7,372.58 | - | - | 7,372.58 | 3,932.69 | - | - | 801.95 | - | 4,734.64 | 3,439.89 |
| Furniture & Fixture | 158.25 | - | 0.64 | 157.61 | 122.41 | - | - | 11.61 | 0.39 | 133.63 | 35.84 |
| Office Equipments | 114.52 | - | - | 114.52 | 100.48 | - | - | 3.83 | - | 104.31 | 14.04 |
| Vehicle | 17.75 | - | 11.90 | 5.85 | 15.70 | - | - | 0.40 | 10.64 | 5.46 | 2.05 |
| TOTAL | 13,945.06 | - | 12.54 | 13,932.52 | 7,189.12 | - | - | 1,086.89 | 11.03 | 8,264.98 | 6,755.94 |
| Previous Year - Tangible Assets | 13,891.85 | 53.21 | - | 13,945.06 | 5,618.55 | 29.05 | 209.69 | 1,331.83 | - | 7,189.12 | 8,273.30 |
| Intangible Assets | | | | | | | | | | | |
| Software (acquired) | 13.38 | - | - | 13.38 | 11.45 | - | - | 1.93 | - | 13.38 | 1.93 |
| Technical Know How (acquired) | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 13.38 | - | - | 13.38 | 11.45 | - | - | 1.93 | - | 13.38 | 1.93 |
| Previous Year - Intangible Assets | 13.38 | - | - | 13.38 | 9.20 | - | - | 2.25 | - | 11.45 | 4.18 |
| GRAND TOTAL | 13,958.44 | - | 12.54 | 13,945.90 | 7,200.57 | - | - | 1,088.82 | 11.03 | 8,278.36 | 6,757.87 |
| Previous Year | 13,905.23 | 53.21 | - | 13,958.44 | 5,627.75 | 29.05 | 209.69 | 1,334.08 | - | 7,200.57 | 8,277.48 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 12 : NON-CURRENT INVESTMENTS - AT COST

(₹ in lacs)

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|--|----------------|----------------------|---------------------|----------------------|---------------------|
| | | No. of Shares/ Units | Value (₹ in lacs) | No. of Shares/ Units | Value (₹ in lacs) |
| Investments (at cost) | | | | | |
| Investment in Equity Instruments | | | | | |
| a) Subsidiary Companies fully paid up (Unquoted) - Trade | | | | | |
| Isgec Covema Limited * | 10 | 20,00,000 | 200.00 | 20,00,000 | 200.00 |
| Isgec Exports Limited * | 10 | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Isgec Engineering & Projects Limited * | 10 | 40,00,000 | 400.00 | 36,00,000 | 360.00 |
| Freelook Software Private Limited * | 10 | 24,650 | 1,306.45 | 21,750 | 1,152.75 |
| b) Subsidiary Companies fully paid up (Unquoted) - Non Trade | | | | | |
| Saraswati Sugar Mills Limited * | 10 | 70,99,900 | 7,009.99 | 70,99,900 | 7,009.99 |
| | | | 8,926.44 | | 8,732.74 |
| c) Joint Ventures fully paid up (Unquoted) - Trade | | | | | |
| Isgec Hitachi Zosen Limited | 10 | 51,00,000 | 5,100.00 | 51,00,000 | 5,100.00 |
| Isgec Foster Wheeler Boilers Private Limited | 10 | 10,20,000 | 102.00 | - | - |
| Isgec Titan Metal Fabricators Private Limited | 10 | 5,10,000 | 51.00 | - | - |
| | | | 5,253.00 | | 5,100.00 |
| d) Other Companies (Quoted) - Non Trade: | | | | | |
| Reliance Industries Ltd. | 10 | 704 | 3.36 | 704 | 3.36 |
| Reliance Power Ltd | 10 | 872 | 2.46 | 872 | 2.46 |
| | | | 5.82 | | 5.82 |
| Total | | | 14,185.26 | | 13,838.56 |
| Aggregate Value of Investments : | | | | | |
| Unquoted | | | 14,179.44 | | 13,832.74 |
| Quoted | | | 5.82 | | 5.82 |
| Market Value of quoted Investments | | | 7.79 | | 6.30 |
| * Includes Equity shares held by Nominees | | | No of Shares | | No of Shares |
| Saraswati Sugar Mills Limited | | | 600 | | 600 |
| Isgec Exports Limited | | | 9 | | 9 |
| Isgec Engineering & Projects Limited | | | 6 | | 6 |
| Isgec Hitachi Zosen Limited | | | 3 | | 3 |
| Isgec Covema Limited | | | 100 | | 100 |
| Freelook Software Private Limited | | | 400 | | 400 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 13 : LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|-------------------------------------|--------------------------|----------------------------|-----------------|--------------------------|----------------------------|-----------------|
| | Secured, considered good | Unsecured, considered good | Total | Secured, considered good | Unsecured, considered good | Total |
| (a) Capital Advance | - | 572.72 | 572.72 | - | 83.72 | 83.72 |
| (b) Security Deposits | | | | | | |
| - to Others | - | 651.45 | 651.45 | - | 615.61 | 615.61 |
| - to Related Parties | - | 10.11 | 10.11 | - | 10.11 | 10.11 |
| (c) Loans and Advances to employees | 242.26 | 160.29 | 402.55 | 227.44 | 101.92 | 329.36 |
| (d) Advance to suppliers | - | - | - | - | 0.47 | 0.47 |
| (e) Prepaid Expenses | - | 13.11 | 13.11 | - | - | - |
| Total | 242.26 | 1,407.68 | 1,649.94 | 227.44 | 811.83 | 1,039.27 |

Note 14 : OTHER NON-CURRENT ASSETS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
| (a) Long-term Trade Receivables | | |
| (i) Secured, considered good | - | - |
| (ii) Unsecured, considered good | - | - |
| (b) Others (Refer note 18.1 (a) (iii)) | 99.00 | - |
| Total | 99.00 | - |

Note 15 : CURRENT INVESTMENTS

(₹ in lacs)

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|--|----------------|------------------|-------------------|------------------|-------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| Investments (at lower of cost and quoted/ fair value) - Non Trade | | | | | |
| Investments in Debentures | | | | | |
| -Quoted | | | | | |
| Canara Bank | 10,00,000 | 50 | 500.00 | 50 | 500.00 |
| ECL Finance Limited | 1,000 | 50,000 | 500.00 | 50,000 | 500.00 |
| Citicorp Finance (India) Limited NCD Series-548 | 1,00,000 | 500 | 500.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-559 | 1,00,000 | 1,000 | 1,000.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-563 | 1,00,000 | 2,000 | 2,000.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-568 | 1,00,000 | 800 | 800.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-572 | 1,00,000 | 600 | 600.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-575 | 1,00,000 | 500 | 500.00 | - | - |
| Edelweiss Finance & Investment Limited NCD Series-L7L501A | 1,00,000 | 300 | 300.00 | - | - |
| | | | 6,700.00 | | 1,000.00 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|---|-------------------|---------------------|----------------------|---------------------|----------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| -Unquoted | | | | | |
| Reliance Capital Limited-Debenture series B/257 | 1,00,000 | - | - | 195 | 195.00 |
| Edelweiss Finance & Investment Limited-Market linked debentures | 1,00,000 | 225 | 225.00 | 225 | 225.00 |
| | | | 225.00 | | 420.00 |
| Investment in Mutual Funds (Unquoted) | | | | | |
| Axis Short Term Fund-Direct Plan-Growth | 10 | 82,05,391.459 | 1,300.00 | - | - |
| Birla Sun Life Cash Plus - Regular - Growth | 100 | 1,86,663.388 | 448.06 | - | - |
| Birla Sun Life Savings Fund-Growth-Direct Plan | 100 | 5,26,471.514 | 1,500.00 | - | - |
| DSP Blackrock Liquidity Fund -Direct - Growth | 1,000 | - | - | 26,014.292 | 500.00 |
| DSP Blackrock FMP - Series 152-12.5M-Dir - Growth | 10 | - | - | 50,00,000.000 | 500.00 |
| DSP Blackrock Liquidity Fund -Institutional Plan - Growth | 1,000 | - | - | 42,575.501 | 800.00 |
| DSP Blackrock Ultra Short Term Fund-Direct Plan-Growth | 10 | 52,93,515.528 | 573.92 | - | - |
| DWS Short Maturity Fund - Regular Plan - Annual Bonus | 10 | - | - | 41,82,952.688 | 601.25 |
| DWS Treasury Fund - Investment - Regular Plan - Bonus | 10 | - | - | 7,38,222.041 | - |
| HDFC Banking and PSU Debt Fund- Direct Growth Option | 10 | 87,76,220.264 | 1,000.00 | 45,39,470.698 | 500.00 |
| HDFC Liquid Fund- Direct Plan-Growth Option | 10 | - | - | 25,88,355.359 | 700.00 |
| HSBC Cash Fund-Growth Direct Plan | 1,000 | - | - | 36,310.958 | 500.00 |
| ICICI Prudential Money Market Fund - Direct Plan - Growth | 100 | - | - | 3,43,047.446 | 652.02 |
| ICICI Prudential Income - Direct Plan - Growth | 10 | 11,27,466.898 | 500.00 | 11,27,466.898 | 500.00 |
| ICICI Prudential Interval Fund III Quarterly Interval - Direct Plan - Growth | 10 | - | - | 33,67,661.000 | 500.00 |
| ICICI Prudential Interval Fund II Quarterly Interval Plan A- Direct Plan - Growth | 10 | - | - | 43,42,086.981 | 500.00 |
| ICICI Prudential Flexible Income-Direct Plan - Growth | 100 | 7,65,081.380 | 2,000.00 | 7,65,081.380 | 2,000.00 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 10 | 23,24,521.846 | 500.00 | 23,24,521.846 | 500.00 |
| ICICI Prudential Savings Fund-Direct Plan-Growth | 100 | 8,91,708.027 | 2,000.00 | - | - |
| ICICI Prudential FMP Series 78-95 Days Plan K Direct Plan | 10 | 1,50,00,000.000 | 1,500.00 | - | - |
| IDFC Corporate Bond Fund Direct Plan-Growth | 10 | 20,00,000.000 | 200.00 | - | - |
| JP Morgan India Liquid Fund - Direct Plan - Growth | 10 | - | - | 6,01,818.696 | 100.00 |
| JPMorgan India Government Securities Fund - Direct Plan | 10 | 51,25,217.81 | 600.00 | 51,25,217.814 | 600.00 |
| JPMorgan India Treasury Fund - Direct Plan-Growth Option | 10 | - | - | 43,42,327.379 | 800.00 |
| Kotak Treasury Advantage Fund - Direct Plan - Growth | 10 | 66,30,066.944 | 1,545.65 | 24,60,481.568 | 545.65 |
| Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth | 1,000 | - | - | 31,191.695 | 1,000.00 |
| Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option | 1,000 | - | - | 64,590.476 | 2,200.58 |
| Reliance Short Term Fund - Direct Growth Plan Growth Option | 10 | 57,75,749.727 | 1,500.00 | 57,75,749.727 | 1,500.00 |
| Reliance Dynamic Bond Fund-Direct Growth Plan | 10 | 52,48,591.191 | 1,000.00 | 52,48,591.191 | 1,000.00 |
| Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option | 10 | 10,50,574.664 | 200.00 | 10,50,574.664 | 200.00 |
| Reliance Liquid Fund-Cash Plan-Direct Growth Plan | 1,000 | - | - | 67,206.490 | 1,500.00 |
| Reliance Quarterly Interval Fund-Series II-Direct Growth Plan-Growth Option | 10 | 97,57,573.096 | 2,000.00 | 26,42,370.947 | 500.00 |
| Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan | 10 | 50,00,000.000 | 500.00 | 50,00,000.000 | 500.00 |
| Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan | 10 | 50,00,000.000 | 500.00 | 50,00,000.000 | 500.00 |
| Reliance Money Manager Fund-Direct Growth Plan-Growth Option | 1,000 | 9,802.787 | 203.08 | - | - |
| Reliance Medium Term Fund-Direct Growth Plan-Growth Option | 10 | 1,52,36,532.980 | 4,723.00 | - | - |
| Reliance Fixed Horizon Fund-XXX-Series-9-Direct Growth Plan | 10 | 1,00,00,000.000 | 1,000.00 | - | - |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|---|-------------------|---------------------|----------------------|---------------------|----------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| Reliance Fixed Horizon Fund-XXX-Series -17-Direct Growth Plan | 10 | 50,00,000.000 | 500.00 | - | - |
| Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan | 10 | 50,00,000.000 | 500.00 | - | - |
| SBI Magnum Income Fund- Regular Plan - Growth | 10 | 72,85,529.585 | 2,256.64 | 72,85,529.585 | 2,256.64 |
| SBI Debt Fund Series A 14 - 380 days -Regular - Growth | 10 | - | - | 50,00,000.000 | 500.00 |
| SBI Debt Fund Series A 16 - 366 days -Regular - Growth | 10 | 60,00,000.000 | 600.00 | 60,00,000.000 | 600.00 |
| SBI Ultra Short Debt Fund - Regular Plan - Growth | 1,000 | - | - | 35,401.413 | 600.00 |
| SBI Treasury Advantage Fund - Direct Plan - Growth | 1,000 | 2,45,883.533 | 4,000.00 | 97,173.741 | 1,500.00 |
| SBI Magnum Insta Cash Fund - Regular Plan - Growth | 1,000 | - | - | 1,61,889.579 | 5,000.00 |
| SBI Dual Advantage Fund-Series XI-Regular-Growth | 10 | 10,00,000.000 | 100.00 | - | - |
| SBI Corporate Bond Fund-Regular Plan-Growth | 10 | 21,85,830.572 | 500.00 | - | - |
| SBI Dual Advantage Fund-Series XII-Regular-Growth | 10 | 10,00,000.000 | 100.00 | - | - |
| SBI Regular Savings Fund-Direct Plan-Growth | 10 | 81,22,463.884 | 2,000.00 | - | - |
| SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Growth | 1,000 | 19,607.842 | 500.00 | - | - |
| SBI Debt Fund Series-B-34 (1134 Days)-Direct Growth | 10 | 1,00,00,000.000 | 1,000.00 | - | - |
| SBI Dual Advantage Fund-Series XV-Regular-Growth | 10 | 20,00,000.000 | 200.00 | - | - |
| Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct | 10 | - | - | 27,76,142.938 | 500.00 |
| Religare Invesco Medium Term Bond Fund-Direct Plan Growth | 1,000 | 65,863.994 | 1,000.00 | - | - |
| UTI-Dynamic Bond Fund-Direct Plan-Growth | 10 | 31,42,914.613 | 500.00 | 31,42,914.613 | 500.00 |
| UTI-Short Term Income Fund-Institutional Option-Direct Plan-Growth | 10 | 28,58,972.600 | 500.00 | - | - |
| UTI Liquid Cash Plan - Institutional - Direct Plan - Growth | 1,000 | 53,229.767 | 1,300.00 | - | - |
| Kotak Low Duration Fund Direct Growth | 1000 | 82,858.545 | 1,500.00 | - | - |
| HDFC FMP 92D March 2016(1)-Direct Plan-Series-35 | 10 | 1,27,36,642.000 | 1,273.66 | - | - |
| | | | 43,624.01 | | 31,156.14 |
| Alternate Investment Funds (Unquoted) | | | | | |
| ASK Real Estate AIF | | | 90.00 | | - |
| Reliance Yield Maximiser AIF | | | 487.04 | | - |
| Forefront Alternative Investment Equity Scheme | | | 200.00 | | - |
| Ambit Alpha Fund | | | 200.00 | | - |
| India Whizdom Fund-AIF | | | 20.00 | | - |
| | | | 997.04 | | - |
| Deposits (Unquoted) | | | | | |
| HDFC Limited | | | 500.00 | | 800.00 |
| Mahindra & Mahindra Financial Services Ltd. | | | 99.00 | | - |
| Bajaj Finance Limited | | | 300.00 | | - |
| PNB Housing Finance Ltd | | | 500.00 | | 500.00 |
| | | | 1,399.00 | | 1,300.00 |
| | | | 52,945.05 | | 33,876.14 |
| Less: Provision for diminution in value of investments | | | 22.76 | | - |
| Total | | | 52,922.29 | | 33,876.14 |
| Aggregate Value of Investments : | | | | | |
| Unquoted | | | 46,245.05 | | 32,876.14 |
| Quoted | | | 6,722.76 | | 1,000.00 |
| Market value of quoted investments | | | 6,802.00 | | 995.90 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 16: INVENTORIES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Raw Materials (at lower of cost or net realisable value) | 8,231.73 | 11,307.51 |
| Raw Material in Transit (at lower of cost or net realisable value) | 457.39 | 139.32 |
| Stores and Spares Parts (at lower of cost or net realisable value) | 1,951.68 | 2,009.41 |
| Stores in transit (at lower of cost or net realisable value) | 3.23 | 7.78 |
| Goods for Resale in Transit (at lower of cost or net realisable value) | 1,593.36 | 1,326.85 |
| Work-in-Progress : | | |
| a) Engineering Goods (at lower of cost or net realisable value) | 15,223.11 | 23,775.88 |
| b) Ingots and Steel Castings (at lower of cost or net realisable value) | 2,052.61 | 1,670.45 |
| c) Erection (at lower of cost or net realisable value) | 781.53 | 167.85 |
| Finished Stock : | | |
| i) Ingots and Steel Castings (at lower of cost or net realisable value) | - | - |
| ii) Trading Goods | - | - |
| Loose Tools (at lower of cost or net realisable value) | 20.70 | 18.41 |
| Farm Stock & Standing Crops (at estimated market value and at estimated cost respectively) | 3.72 | 3.58 |
| Total | 30,319.06 | 40,427.04 |

Note 17: TRADE RECEIVABLES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 10,948.14 | 20,920.14 |
| Unsecured, considered doubtful | 9.47 | 9.47 |
| | 10,957.61 | 20,929.61 |
| Less: Provision For Doubtful Debts | 9.47 | 9.47 |
| | 10,948.14 | 20,920.14 |
| Other Trade Receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 1,28,578.28 | 71,659.11 |
| Unsecured, considered good-related parties | 241.58 | 77.52 |
| Unsecured, considered doubtful | - | - |
| | 1,28,819.86 | 71,736.63 |
| Less: Provision For Doubtful Debts | - | - |
| | 1,28,819.86 | 71,736.63 |
| Total | 1,39,768.00 | 92,656.77 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 18: CASH AND BANK BALANCES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| a) Cash and Cash equivalents | | |
| i) Cash in hand | 24.44 | 28.49 |
| ii) Cheques, Drafts in hand | 6.97 | 10.50 |
| iii) Balance with Banks: | | |
| In Current and Cash Credit Accounts | 1,292.10 | 2,227.71 |
| In Fixed Deposits Accounts (refer note 18.1 (a) (i)) | - | 800.00 |
| | 1,323.51 | 3,066.70 |
| b) Other Bank Balances | | |
| (i) In Fixed Deposits Accounts (refer note 18.1 (a) (ii)) | 27,385.29 | 33,227.31 |
| (ii) In Fixed Deposits Accounts (refer note 18.1(b)) | 140.76 | 732.72 |
| (iii) In earmarked Accounts: | | |
| -Unpaid Dividend Accounts | 114.45 | 108.09 |
| | 27,640.50 | 34,068.12 |
| Total | 28,964.01 | 37,134.82 |

Note 18.1 : Fixed Deposits With Banks

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| a) Free From any Lien | | |
| (i) Maturing within 3 months from date of deposit (classified as cash and cash equivalents) | - | 800.00 |
| (ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (classified as other bank balance) | 27,385.29 | 33,227.31 |
| (iii) Maturing after one year of Balance Sheet date (classified as and included in Other Non-Current Assets-refer note 14) | 99.00 | - |
| | 27,484.29 | 34,027.31 |
| b) Under Lien | | |
| (i) Maturing within 3 months from date of deposit (classified as other bank balances) | 33.22 | 150.00 |
| (ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (classified as other bank balance) | 107.54 | 582.72 |
| (iii) Maturing after one year of Balance Sheet date (classified as and included in Other Non-Current Assets) | - | - |
| | 140.76 | 732.72 |
| Total | 27,625.05 | 34,760.03 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 19 : SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|--|--------------------------|----------------------------|------------------|--------------------------|----------------------------|------------------|
| | Secured, considered good | Unsecured, considered good | Total | Secured, considered good | Unsecured, considered good | Total |
| Loans and Advances to employees | 65.79 | 751.80 | 817.59 | 63.11 | 462.95 | 526.06 |
| Balance with Government Departments and Others | - | 2,960.09 | 2,960.09 | - | 4,044.01 | 4,044.01 |
| Security Deposit | 2.20 | 744.10 | 746.30 | 11.01 | 791.10 | 802.11 |
| Prepaid Expenses | - | 557.41 | 557.41 | - | 772.91 | 772.91 |
| Advance to Suppliers | - | - | - | - | - | - |
| - to Others | - | 14,285.06 | 14,285.06 | - | 14,860.39 | 14,860.39 |
| - to Related Parties | - | 129.16 | 129.16 | - | - | - |
| Export Incentive Receivable | - | 2,457.59 | 2,457.59 | - | 2,417.62 | 2,417.62 |
| Loan to Subsidiary Companies: | - | - | - | - | - | - |
| - Saraswati Sugar Mills Limited | - | - | - | - | 7.49 | 7.49 |
| Gratuity Fund (refer note 26.1) | - | 34.43 | 34.43 | - | 151.26 | 151.26 |
| Other advances | - | 477.90 | 477.90 | - | 231.05 | 231.05 |
| Total | 67.99 | 22,397.54 | 22,465.53 | 74.12 | 23,738.78 | 23,812.90 |

Note 20 : OTHER CURRENT ASSETS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
| Interest accrued but not due on Deposits | 711.34 | 1,054.94 |
| Others | 11.88 | 28.11 |
| Total | 723.22 | 1,083.05 |

Note 21 : Contingent Liabilities & Commitments

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|------------------|------------------|
| I Contingent Liabilities: | | |
| a) Claims against the Company not acknowledged as debts (including sales tax under dispute) | 1,381.93 | 1,221.41 |
| b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and advance authorisation and others * | 12,340.33 | 14,862.00 |
| * includes Bonds given on behalf of Subsidiary Company Isgec Hitachi Zosen Limited. | 1,772.20 | 6,202.00 |
| c) Corporate Guarantees given on behalf of joint venture Company Isgec Hitachi Zosen Limited to Banks | 18,248.58 | 19,127.82 |
| II Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | 2,622.45 | 1,560.20 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 22 : REVENUE FROM OPERATIONS

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Sale of Products (refer note 22.1 below) | 3,56,068.69 | 2,87,567.03 |
| Erection, Commissioning and other receipts | 29,743.19 | 27,437.44 |
| Other Operating Revenues (refer note 22.2 below) | 10,276.84 | 18,220.56 |
| Total | 3,96,088.72 | 3,33,225.03 |
| Less: Excise Duty | 8,209.90 | 5,482.93 |
| Net | 3,87,878.82 | 3,27,742.10 |

Note 22.1 : Sale of Products (Net of Excise duty)

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Mechanical & Hydraulic Presses | 19,491.12 | 14,557.63 |
| Boiler Drums, Boiler Parts & Piping | 25,141.61 | 22,565.73 |
| Pressure Vessels, Columns, Reactors, Heat Exchangers | 33,029.54 | 26,281.68 |
| Ingots | 131.48 | 246.71 |
| Steel & Cast Iron Castings | 14,713.56 | 12,124.11 |
| Boilers, Sugar & Power Plants | 2,55,351.48 | 2,06,308.24 |
| Total | 3,47,858.79 | 2,82,084.10 |

Note 22.2 : Other Operating Revenues

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---------------------------------------|--------------------------|--------------------------|
| Commission Earned | 126.53 | 231.05 |
| Export Incentive | 4,625.47 | 4,747.36 |
| Packing Receipts | 15.84 | 10.95 |
| Unclaimed Balances Written Back | 21.67 | 55.95 |
| Excess Provision Written Back | 390.91 | 484.79 |
| Foreign Exchange Fluctuations | 1,237.19 | 8,780.21 |
| Bad Debt written off now realised | 2.72 | - |
| Scrap and Waste Sale | 834.80 | 933.77 |
| Lease rent receipts (refer note 33.2) | 2,836.35 | 2,749.80 |
| Others | 185.36 | 226.68 |
| Total | 10,276.84 | 18,220.56 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 23 : OTHER INCOME

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Interest Income | | |
| - On Loans to Subsidiary Companies | 0.13 | 175.66 |
| - Other Interest Income | 395.37 | 239.02 |
| - On Bank Deposits | 2,710.52 | 2,480.79 |
| Dividend Income on Investments | | |
| Long Term - Non Trade | | |
| - Other Companies | 0.15 | 0.07 |
| Current - Non Trade | | |
| Net gain on sale of current investments | 1,544.71 | 963.64 |
| Profit on sale of Fixed Assets | 22.18 | 34.38 |
| Insurance Claim Receipts | 83.04 | 188.14 |
| Profit from Farm Operations (refer note No 23.1) | 4.03 | 2.51 |
| Other Non-operating Income | 113.05 | 147.20 |
| Total | 4,873.18 | 4,231.41 |

Note 23.1 : Profit from Farm Operations

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------------|--------------------------|--------------------------|
| Income: | | |
| Sale of Farm Produce | 13.58 | 19.51 |
| Miscellaneous Income | - | 0.29 |
| Total | 13.58 | 19.80 |
| Expenditure: | | |
| Salaries, Wages and Bonus | 6.07 | 6.11 |
| Cultivation Expenses | 2.79 | 3.27 |
| Miscellaneous Expenses | 0.31 | 0.27 |
| Repairs and Maintenance: | | |
| - Machinery and Tractors | 0.47 | 0.65 |
| - Building | - | 0.41 |
| Depreciation | 0.05 | 0.07 |
| | 9.69 | 10.78 |
| (Increase)/Decrease in Stock | (0.14) | 6.51 |
| Total | 9.55 | 17.29 |
| Profit | 4.03 | 2.51 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 24 : COST OF MATERIALS, COMPONENTS, STORES AND SPARES CONSUMED

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Raw Materials & Components (refer note 24.1 & 24.2(i)) | 40,126.29 | 44,693.30 |
| Consumption of Stores and Spares (refer note 24.2(ii)) | 3,741.87 | 4,337.76 |
| Total | 43,868.16 | 49,031.06 |

Note 24.1 : Details of Raw Materials and Components Consumed

(₹ in lacs)

| Type of Materials | Units | Year ended 31.03.2016 | | Year ended 31.03.2015 | |
|----------------------------|-------|-----------------------|------------------|-----------------------|-----------|
| | | Quantity | Value | Quantity | Value |
| Iron and Steel | MT | 24,894.12 | 10,440.03 | 21,447.33 | 11,155.18 |
| Alloys | MT | 627.07 | 918.45 | 354.99 | 971.27 |
| M.S. Scrap | MT | 6,948.50 | 1,554.66 | 4,306.77 | 1,078.90 |
| Components issued for jobs | | | 27,213.15 | | 31,487.95 |
| Total | | | 40,126.29 | | 44,693.30 |

Note 24.2 : Analysis of Material Consumed

(₹ in lacs)

| | Year ended 31.03.2016 | | Year ended 31.03.2015 | |
|--|-----------------------|------------------|--------------------------|-----------|
| | % | Value | % | Value |
| i) Raw Materials & Components | | | | |
| Imported | 16.07% | 6,448.52 | 16.87% | 7,540.34 |
| Indigenous | 83.93% | 33,677.77 | 83.13% | 37,152.96 |
| Total | 100.00% | 40,126.29 | 100.00% | 44,693.30 |
| ii) Stores & Spares | | | | |
| Imported | 2.89% | 108.16 | 3.41% | 148.10 |
| Indigenous | 97.11% | 3,633.71 | 96.59% | 4,189.66 |
| Total | 100.00% | 3,741.87 | 100.00% | 4,337.76 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|----------------------------------|--------------------------|--------------------------|
| Opening stock: | | |
| Finished Goods | - | 103.94 |
| Work - in - Progress | 25,614.18 | 22,848.12 |
| Trading Goods | - | - |
| Total | 25,614.18 | 22,952.06 |
| Closing stock: | | |
| Finished Goods | - | - |
| Work - in - Progress | 18,057.25 | 25,614.18 |
| Trading Goods | - | - |
| Total | 18,057.25 | 25,614.18 |
| Net increase (-)/decrease | 7,556.93 | (2,662.12) |

Note 26 : EMPLOYEES BENEFITS EXPENSE

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Salaries and wages | 22,611.97 | 20,071.47 |
| Contribution to Provident and other Funds (refer note 26.1(a) & 26.1(b)) | 2,055.74 | 1,672.82 |
| Staff Welfare Expenses | 647.83 | 608.26 |
| Total | 25,315.54 | 22,352.55 |

Note 26.1 : Details of Employee Benefits Expense

The disclosure of employee benefits as required in Accounting Standard - 15 is given below:-

a) Defined Contribution Plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plans:

(₹ in lacs)

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---------------------------|-----------------|-----------------|---------------|---------------|---------------|
| Provident Fund | 1,132.69 | 979.15 | 460.04 | 841.64 | 791.69 |
| Employees State Insurance | 9.36 | 12.50 | 7.15 | 48.51 | 87.62 |
| Superannuation fund | 49.93 | 38.31 | 13.51 | 62.08 | - |
| National Pension Scheme | 37.78 | - | - | - | - |
| Total | 1,229.76 | 1,029.96 | 480.70 | 952.23 | 879.31 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

b) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(₹ in lacs)

| Description | Gratuity (Funded) | | | | | Leave Encashment (Non-funded) | | | | |
|--|-------------------|----------|----------|----------|----------|-------------------------------|------------|------------|------------|------------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| i. Change in Present value of Obligation | | | | | | | | | | |
| a. Present Value of Obligation at the beginning of the year | 4,121.30 | 3,592.91 | 3,351.42 | 2,962.45 | 2,757.11 | 1,455.64 | 1,248.59 | 1,205.74 | 1,080.27 | 914.42 |
| b. Interest cost | 329.70 | 287.43 | 134.06 | 237.00 | 220.57 | 116.45 | 99.89 | 48.23 | 86.12 | 73.42 |
| c. Current service cost | 436.13 | 321.62 | 142.91 | 264.12 | 233.92 | 353.84 | 254.49 | 114.73 | 225.08 | 219.97 |
| d. Benefits paid | (297.74) | (356.09) | (136.89) | (319.29) | (200.66) | (399.76) | (355.88) | (225.73) | (239.75) | (242.12) |
| e. Actuarial (gain) / loss | 519.98 | 275.43 | 101.41 | 207.14 | (48.48) | 435.30 | 208.55 | 105.62 | 54.02 | 114.57 |
| f. Present Value of Obligation at the end of he year | 5,109.37 | 4,121.30 | 3,592.91 | 3,351.42 | 2,962.45 | 1,961.47 | 1,455.64 | 1,248.59 | 1,205.74 | 1,080.27 |
| ii. Change in the Fair Value of Plan Assets | | | | | | | | | | |
| a. Fair Value of Plan Assets at the beginning of the year | 4,272.56 | 3,664.57 | 3,110.81 | 2,934.03 | 2,723.91 | N.A. | N.A. | N.A. | N.A. | N.A. |
| b. Expected Return on Plan Assets | 363.17 | 329.81 | 139.99 | 264.06 | 251.96 | - | - | - | - | - |
| c. Contributions | 825.98 | 642.86 | 572.12 | 223.58 | 158.24 | - | - | - | - | - |
| d. Benefits paid | (297.74) | (356.09) | (136.89) | (319.29) | (200.66) | - | - | - | - | - |
| e. Actuarial Gain / (Loss) on Plan Assets | (20.17) | (8.59) | (21.46) | 8.42 | 0.59 | - | - | - | - | - |
| f. Fair Value of Plan Assets at the end | 5,143.80 | 4,272.56 | 3,664.57 | 3,110.81 | 2,934.03 | - | - | - | - | - |
| iii. Reconciliation of Fair Value of Assets and Obligations | | | | | | | | | | |
| a. Fair Value of Plan Assets at the end of the year | 5,143.80 | 4,272.56 | 3,664.57 | 3,110.81 | 2,934.03 | - | - | - | - | - |
| b. Present Value of Obligation at the end of the year | 5,109.37 | 4,121.30 | 3,592.91 | 3,351.42 | 2,962.45 | 1,961.47 | 1,455.64 | 1,248.59 | 1,205.74 | 1,080.27 |
| c. Amount recognised in the Balance Sheet | 34.43 | 151.26 | 71.66 | (240.61) | (28.42) | (1,961.47) | (1,455.64) | (1,248.59) | (1,205.74) | (1,080.27) |
| - Current | 34.43 | 151.26 | 71.66 | - | - | (175.24) | (150.32) | (124.03) | (117.41) | (119.49) |
| - Non Current | | - | - | (240.61) | (28.42) | (1,786.23) | (1,305.32) | (1,124.56) | (1,088.33) | (960.78) |
| iv. Expenses recognised in the statement of Profit & Loss | | | | | | | | | | |
| a. Current Service Cost | 436.13 | 321.62 | 142.91 | 264.12 | 233.92 | 353.84 | 254.49 | 114.73 | 225.08 | 219.97 |
| b. Interest Cost | 329.70 | 287.43 | 134.06 | 237.00 | 220.57 | 116.45 | 99.89 | 48.23 | 86.12 | 73.42 |
| c. Expected Return on Plan Assets | (363.17) | (329.81) | (139.99) | (264.06) | (251.96) | - | - | - | - | - |
| d. Actuarial (Gain) / Loss | 540.15 | 284.02 | 122.87 | 198.72 | (49.07) | 435.30 | 208.55 | 105.62 | 54.02 | 114.57 |
| e. Expenses recognised in the Profit & Loss | 942.81 | 563.26 | 259.85 | 435.77 | 153.46 | 905.59 | 562.93 | 268.58 | 365.22 | 407.97 |
| v. Actuarial Assumptions | | | | | | | | | | |
| a. Discount Rate (per annum) | 7.50% | 8.00% | 8.00% | 8.00% | 8.00% | 7.50% | 8.00% | 8.00% | 8.00% | 8.00% |
| b. Estimated Rate of return on Plan Assets(p.a) | 8.50% | 9.00% | 9.00% | 9.25% | 9.25% | - | - | - | - | - |
| c. Rate of Escalation in Salary (p.a) | 7.50% | 6.50% | 6.50% | 6.50% | 6.50% | 7.50% | 6.50% | 6.50% | 6.50% | 6.50% |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

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

(₹ in lacs)

| Particulars | Gratuity (Funded) | | | | | Leave Encashment (Non-funded) | | | | |
|---|-------------------|----------|----------|----------|----------|-------------------------------|------------|------------|------------|------------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Defined Benefit Obligation | 5,109.37 | 4,121.30 | 3,592.91 | 3,351.42 | 2,962.45 | 1,961.47 | 1,455.64 | 1,248.59 | 1,205.74 | 1,080.27 |
| Plan Assets | 5,143.80 | 4,272.56 | 3,664.57 | 3,110.81 | 2,934.03 | - | - | - | - | - |
| Surplus / (Deficit) | 34.43 | 151.26 | 71.66 | (240.61) | (28.42) | (1,961.47) | (1,455.64) | (1,248.59) | (1,205.74) | (1,080.27) |
| Experience adjustment on Plan Liabilities | 94.83 | (275.43) | (101.41) | (207.14) | 48.48 | (116.12) | (208.55) | (105.62) | (54.02) | (114.57) |
| Experience adjustment on Plan Assets | (41.53) | (8.59) | (21.46) | 1.09 | 7.40 | -- | -- | -- | -- | -- |

Note 26.2 : Figures for 2013-14 are for the period of six months only

Note 27 : FINANCE COSTS

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------|--------------------------|--------------------------|
| Interest on Borrowings | | |
| Banks | 1,792.23 | 1,410.33 |
| Public Deposits | - | 168.96 |
| Others | 58.04 | 24.54 |
| Other Borrowing Cost | 117.47 | 166.99 |
| Total | 1,967.74 | 1,770.82 |

Note 28 : OTHER EXPENSES

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Power & Fuel | 2,632.66 | 2,232.81 |
| Other Manufacturing Expenses | 9,420.05 | 8,750.47 |
| Repairs to: | | |
| -Machinery | 695.29 | 316.81 |
| -Building | 594.46 | 495.71 |
| -Others | 71.58 | 86.21 |
| Rent (Refer Note 33.1) | 690.34 | 594.02 |
| Insurance | 567.85 | 404.85 |
| Rates and Taxes | 105.57 | 51.44 |
| Commission to Selling Agents and Others | 2,607.33 | 7,819.48 |
| Bank Charges | 1,686.03 | 1,489.42 |
| Royalty | 1,496.86 | 701.52 |
| Electricity and Water Charges | 341.68 | 293.38 |
| Donation | 2.40 | 3.78 |
| Office and Miscellaneous Expenses | 6,487.23 | 5,424.85 |
| Payment to Statutory Auditors | | |
| -Statutory audit fees | 9.00 | 9.00 |
| -For Company Law Matters | 0.74 | - |
| -For Reimbursement of expenses | 1.79 | 1.31 |
| Packing, Forwarding and Transportation Expenses | 18,130.24 | 18,883.56 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Design & Technical Expenses | 5,095.50 | 2,689.10 |
| Travelling Expenses | 5,210.85 | 5,009.31 |
| Managerial Remuneration (refer note 28.1) | 2,978.76 | 2,443.20 |
| Directors' Commission/Fee | 7.97 | 4.74 |
| Rebate and Discount | 307.62 | 134.77 |
| CSR Expenses | 257.60 | 172.76 |
| Bad debts written off | 340.83 | 13.09 |
| Loss on Assets Sold/Written Off | 35.36 | 20.81 |
| Loss/Provision on Sales/Disposal/Diminution/ in Value of Investments | 22.76 | - |
| Total | 59,798.35 | 58,046.40 |

Note 28.1 : Managerial Remuneration

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| (a) To the Whole time Directors: | | |
| (i) Salary | 69.60 | 69.60 |
| (ii) Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund | 15.03 | 10.35 |
| (iii) Other Perquisites | 2.34 | 2.13 |
| (iv) Commission | 2,891.79 | 2,361.12 |
| | 2,978.76 | 2,443.20 |
| (b) To Other Directors: | | |
| (i) Commission | 1.53 | 1.30 |
| (ii) Sitting Fee | 6.44 | 3.44 |
| | 7.97 | 4.74 |
| Total Managerial Remuneration | 2,986.73 | 2,447.94 |
| Calculation as per Section 198 of the Companies Act, 2013 in respect of Managerial Remuneration is as follows: | | |
| Profit before tax | 26,512.44 | 21,831.98 |
| Add : Provision for doubtful Debts | - | - |
| Loss on sale of fixed assets | 35.36 | 20.81 |
| Provision for CSR Expenses | 257.60 | 172.76 |
| Loss on diminution in value of Investments | 22.76 | - |
| | 26,828.16 | 22,025.55 |
| Less: Profit on sale of fixed assets | 22.18 | 34.38 |
| Profit as per Section 198 | 26,805.98 | 21,991.17 |
| Add : Managerial Remuneration | 86.97 | 82.08 |
| Commission to Whole time Directors | 2,891.79 | 2,361.12 |
| Commission to Non Executive Directors | 1.53 | 1.30 |
| Sitting Fees to Non Executive Directors | 6.44 | 3.44 |
| Net Profit as per Section 198 | 29,792.71 | 24,439.11 |
| Maximum remuneration payable restricted to: | | |
| - Whole time Directors 10% of above | 2,979.27 | 2,443.91 |
| - Other Directors 1% of above | 297.93 | 244.39 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 29 : CURRENT TAX

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-------------------|--------------------------|--------------------------|
| Provision for Tax | 9,643.31 | 8,122.90 |

Note 30 : Earning Per Share

In accordance with Accounting Standard (AS-20) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| a) Net Profit / (Loss) available to Equity Shareholders (₹ in lacs) | 17,399.32 | 14,319.37 |
| b) Number of Weighted Average Equity Shares outstanding during the period for the purpose of calculation of Earning Per Share | 73,52,951 | 73,52,951 |
| c) Nominal value of Equity Share (In ₹) | 10.00 | 10.00 |
| d) Basic & Diluted Earning per Share (In ₹) | 236.63 | 194.74 |

Note 31 : Segment Reporting

(a) Primary Segment

The Company operates in only one segment of Engineering business which comprises of production and sales of Engineering Equipments, identified in accordance with principles enunciated in Accounting Standard AS-17. Hence, separate segment information is not applicable.

(b) Secondary Segment

In respect of secondary segment information, the Company has identified Geographical segments as (i) domestic and (ii) Overseas.

(i) Domestic Revenue includes sales to customers located within India and earnings in India.

(ii) Overseas Revenue includes sales to customers located outside India and earnings outside India.

The required disclosure is as follows:-

Information about Secondary Business Segments

(₹ in lacs)

| Description | Year ended 31.03.2016 | | | Year ended 31.03.2015 | | |
|--|-----------------------|-------------|-------------|-----------------------|-------------|-------------|
| | Domestic | Overseas | Total | Domestic | Overseas | Total |
| (i) Revenue by geographical market | 2,48,041.27 | 1,44,710.73 | 3,92,752.00 | 1,80,374.96 | 1,51,598.55 | 3,31,973.51 |
| (ii) Carrying amount of segment assets | 3,37,980.04 | 163.73 | 3,38,143.77 | 2,84,812.95 | 34.40 | 2,84,847.35 |
| (iii) Addition to fixed assets | 12,573.52 | - | 12,573.52 | 4,705.09 | - | 4,705.09 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 32 : RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

I Description and Name of Related Parties

| Description of Relationship | Name |
|---|---|
| Holding Company | None |
| Subsidiaries 100% Share holding | Saraswati Sugar Mills Limited Isgec Covema Limited Isgec Exports Limited Isgec Engineering & Projects Limited Freelook Software Private Limited |
| Joint Venture with 51 % share holding | Isgec Hitachi Zosen Limited Isgec Foster Wheeler Boilers Private Limited Isgec Titan Metal Fabricators Private Limited |
| Entities over which Directors and their relatives can exercise significant influence | Yamuna Syndicate Ltd. Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises |
| Key Management Personnel | Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Wholetime Director) |
| Relatives of Key Management Personnel | Mr. Ranjit Puri (Chairman), (Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Wholetime Director) Mrs. Tanupriya Puri (wife of Mr. Aditya Puri, Managing Director) Mr. Ranjit Puri (HUF) |

II Related Party Transactions

| Particulars | (₹ in lacs) | |
|---|--------------------------|--------------------------|
| | Year ended 31.03.2016 | Year ended 31.03.2015 |
| a) Purchase of goods | | |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 732.97 | 318.84 |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 155.52 | 164.43 |
| Total | 888.49 | 483.27 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| b) Sale of goods | | |
| —Subsidiaries | | |
| Saraswati Sugar Mills Limited | 12.87 | 889.18 |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 166.27 | 81.42 |
| Total | 179.14 | 970.60 |
| c) Purchase of fixed assets | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 3.00 | 2.91 |
| Blue Water Enterprises | - | - |
| Total | 3.00 | 2.91 |
| Sale of fixed assets | | |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 1.27 | - |
| Total | 1.27 | - |
| d) Rendering of services | | |
| —Subsidiaries | | |
| Saraswati Sugar Mills Limited | 0.34 | 3.66 |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 602.65 | 43.16 |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 31.49 | 29.39 |
| Total | 634.48 | 76.21 |
| e) Services received | | |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 35.89 | 95.00 |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 0.11 | 0.36 |
| Total | 36.00 | 95.36 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| f) Rent received | | |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 2,836.35 | 2,749.80 |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 0.39 | 0.39 |
| Total | 2,836.74 | 2,750.19 |
| g) Rent Paid | | |
| —Subsidiaries | | |
| Isgec Engineering & Projects Limited | 3.60 | - |
| —Entities over which key management personnel can exercise significant influence | | |
| Blue Water Enterprises | 70.05 | 60.09 |
| Total | 73.65 | 60.09 |
| h) Remuneration to Directors | | |
| —Key management personnel | | |
| Mr. Aditya Puri (Managing Director) | 1,489.38 | 1,221.60 |
| Mrs. Nina Puri (Wholetime Director) | 1,489.38 | 1,221.60 |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (Chairman) | 1.37 | 0.82 |
| Total | 2,980.13 | 2,444.02 |
| i) Interest paid | | |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (HUF) | - | 0.06 |
| Total | - | 0.06 |
| j) Interest Received | | |
| —Subsidiaries | | |
| Saraswati Sugar Mills Limited | 0.13 | 175.66 |
| Total | 0.13 | 175.66 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| k) Amount payable as at year end | | |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 491.34 | 19.24 |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Ltd. | 12.68 | 4.13 |
| —Key management personnel | | |
| Mr. Aditya Puri (Managing Director) | 1,432.90 | 1,168.83 |
| Mrs. Nina Puri (Wholetime Director) | 1,461.65 | 1,194.02 |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (Chairman) | 0.23 | 0.23 |
| Mr. Ranjit Puri (HUF) | - | - |
| Mrs. Tanupriya Puri | - | - |
| Total | 3,398.80 | 2,386.45 |
| l) Amount receivable as at year end | | |
| —Subsidiaries | | |
| Saraswati Sugar Mills Limited | 23.67 | 46.07 |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 347.07 | 38.93 |
| —Entities over which key management personnel can exercise significant influence | | |
| Blue Water Enterprises | 10.11 | 10.11 |
| Total | 380.85 | 95.11 |
| m) Investment as at year end | | |
| —Subsidiaries | | |
| Saraswati Sugar Mills Limited | 7,009.99 | 7,009.99 |
| Isgec Engineering & Projects Limited | 400.00 | 360.00 |
| Isgec Covema Limited | 200.00 | 200.00 |
| Isgec Exports Limited | 10.00 | 10.00 |
| Freelook Software Private Limited | 1,306.45 | 1,152.75 |
| —Joint Venture | | |
| Isgec Hitachi Zosen Limited | 5,100.00 | 5,100.00 |
| Isgec Titan Metal Fabricators Private Limited | 51.00 | - |
| Isgec Foster Wheeler Boilers Private Limited | 102.00 | - |
| Total | 14,179.44 | 13,832.74 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 33.1 : Lease Rent Charges

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Accounting Standard (AS-19) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-------------------------|--------------------------|--------------------------|
| a) Residential premises | 265.55 | 228.20 |
| b) Commercial premises | 419.82 | 361.00 |
| c) Plant and machinery | 4.97 | 4.82 |
| Total | 690.34 | 594.02 |

Note 33.2 : Lease Rent Income

The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Accounting Standard (AS-19) on 'Leases' disclosure of the future minimum lease income under non cancellable operating leases in the aggregate and for each of the following periods:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| (i) Not later than one year | 2,837.16 | 2,831.80 |
| (ii) Later than one year and not later than five years | 11,348.64 | 11,320.00 |
| (iii) Later than five years | 2,835.00 | 5,660.00 |
| Total | 17,020.80 | 19,811.80 |

Note 34 : VALUE OF IMPORTS ON C.I.F. BASIS:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--------------------------|--------------------------|--------------------------|
| Raw Materials | 5,367.56 | 3,877.25 |
| Components & Spare Parts | 1,974.44 | 2,395.37 |
| Goods for resale | 9,479.30 | 5,917.61 |
| Capital Goods | 523.95 | 349.38 |
| Total | 17,345.25 | 12,539.61 |

Note 35 : EARNINGS IN FOREIGN EXCHANGE:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Export of Goods & Services on F.O.B basis | 1,13,173.80 | 1,16,670.38 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 36 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

| Particulars | (₹ in lacs) | |
|---|--------------------------|--------------------------|
| | Year ended 31.03.2016 | Year ended 31.03.2015 |
| Travelling Expenses | 1,660.26 | 1,344.88 |
| Royalty | 1,226.15 | 550.46 |
| Brokerage & Commission | 2,276.26 | 7,651.17 |
| Interest on ECB Loan (for foreign remittance) | 145.80 | 289.55 |
| Others | 14,475.29 | 10,172.41 |
| Total | 19,783.76 | 20,008.47 |

Note 37 : DIVIDEND PAID IN FOREIGN CURRENCY

| Particulars | (₹ in lacs) | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2016 | Year ended 31.03.2015 |
| Dividend Paid in foreign currency | - | - |
| No. of Equity Shares held by Non Resident Shareholders | 6,73,778 | 5,26,171 |
| No. of Non Resident Shareholders | 128 | 77 |
| Year to which dividend relates | NA | NA |
| Dividend to Non Resident Shareholders has been paid in Indian Rupees | | |

Note 38 : FOREIGN CURRENCY EXPOSURES

The Company has entered into swaps/ forward contracts which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

| Particulars | (₹ in lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| a) Particulars of forward contracts entered for hedging as at year ended are as under: | | |
| i) Receivables | 41,783.61 | 23,849.06 |
| ii) Loans | 1,648.33 | 5,017.00 |
| iii) Payables to Suppliers | 808.00 | - |
| b) Unhedged foreign currency exposures as at year ended are as under: | | |
| i) Receivables | 2,739.41 | 6,241.69 |
| ii) Payables to Suppliers | 217.29 | 128.89 |
| iii) Loans | - | 18,715.00 |

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 39 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Salaries & wages | 60.17 | - |
| Contribution to Provident & other Funds | 12.68 | - |
| Others | 3.20 | - |
| Total | 76.05 | - |

Note 40 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under :-

(₹ in lacs)

| Sl. No. | Particulars | Description |
|---------|---|--|
| a) | Products covered for Cost Audit | Ingots and Manufactured items of Engineering Machinery |
| b) | Full Particulars of Cost Auditor | M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana |
| c) | Filing of Cost Audit Report | Year ended Year ended 31.03.2016 31.03.2015 |
| | i) Due Date of Filing of Cost Audit Report | 27.09.2016 30.09.2015 |
| | ii) Actual Date of Filing Cost Audit Report | Not yet Due 29.09.2015 |

Note 41: There is no other information required to be disclosed apart from the information already disclosed, pursuant to the requirements of Schedule III to the Companies Act,2013

Note 42: Previous year figures have been regrouped/ recast wherever considered necessary to conform to current year classification.

Note 43: Company Overview:

Isgec Heavy Engineering Limited (the "Company") is a Heavy Engineering Company and is engaged in the manufacture of Process Plant equipments, Mechanical and Hydraulic Presses, Alloy Steel and Ferrous Castings, Containers, Contract Manufacturing and Execution of Projects for setting up Boilers, Sugar Plants, Power Plants and Air Pollution Control Equipments for customers in India and abroad. The Company is a Public Limited Company and its shares are listed on Bombay Stock Exchange (BSE).

Notes to the Financial Statements as at and for the year ended 31st March, 2016

Note 44 : Significant Accounting Policies

i) Basis of Preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost convention and in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 2013. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of income. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are made on the basis of current events and actions, the actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

iii) Tangible Assets

- a) Tangible assets are stated at their cost less accumulated depreciation & accumulated impairment, if any
- b) The cost of an asset comprises its purchase price and any directly attributable cost for bringing the asset to working condition for its intended use & is net of recoverable duties/tax credits.
- c) Capital spares directly attributable to the assets are capitalised with the related assets.

iv) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard AS - 26 'Intangible Assets'. Costs incurred on acquisition of software & technical know how are capitalised.

Intangible assets are stated at cost of acquisition less accumulated amortisation & accumulated impairment losses, if any.

v) Depreciation and Amortization

Depreciation is provided on fixed assets in the manner 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 the straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

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 basis as per Accounting Standard - 26 on Intangible Assets.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

vi) Impairment of Assets

- a) As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine
 - i) the provision for impairment loss, if any, required or
 - ii) the reversal, if any, required of impairment loss recognised in previous periods.
- b) Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount which is determined
 - i) in the case of an individual asset, at the higher of the net selling price and the value in use.
 - ii) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.
- c) Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life.

vii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

viii) Inventories

Raw Materials, Stores & Spares are valued at lower of weighted average cost or net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

Work-in-Progress and Finished Goods are valued at lower of cost or net realisable value.

Cost in case of finished goods and work-in-progress includes material cost and applicable direct manufacturing and administrative overheads. Value of finished stock is inclusive of excise duty.

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

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

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

Notes to the Financial Statements as at and for the year ended 31st March, 2016

ix) Cash and Cash Equivalents

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The Company considers all highly liquid investments which are subject to an insignificant risk of change in value within original maturity of three months or less from date of purchase to be cash equivalent.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits with banks, excluding investment in mutual funds.

x) Revenue Recognition

Revenue is recognised in case of traded & manufactured products on despatch of goods from the factory / other locations when substantial risks & rewards of ownership are transferred to the buyer.

Revenue in case of erection & commissioning jobs carried out is recognised on stage of completion as per the terms of related agreements / job orders.

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

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.

Interest income is recognised on a time proportion basis taking into account the amounts outstanding and the rate applicable.

Dividend from investments in shares is recognised when the right to receive payment is established.

xi) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

c) Exchange Differences

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

xii) Employee Benefits

As per AS-15 the provision for employee benefits is charged on accrual basis as under:

a) Provident Fund:

The Company operates a Provident Fund Trust for its employees where contributions are deposited on the basis of services rendered by the employees and are expensed as and when incurred.

b) Gratuity:

The Company operates a Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policy with the Life Insurance Corporation of India for all the employees. Provision for liability on account of gratuity being defined benefit plan, is determined as per actuarial valuation and charged to statement of Profit & Loss.

c) Leave Encashment:

Provision for leave encashment is made in respect of eligible employees as per actuarial valuation done at the balance sheet date.

d) Pension:

Liability on account of pension payable to employees covered under Company's pension scheme has been accounted for on accrual basis.

e) Superannuation:

The Company operates a Superannuation fund scheme with Life Insurance Corporation of India where contributions are deposited on the basis of services rendered by employees who have opted for the scheme. These contributions are expensed on accrual basis.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

xiii) Borrowing Costs

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

xiv) Leases

Payments made under Leases for land, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease. Payments made under cancellable operating leases for other assets are charged to statement of profit & loss as per respective lease agreements. Finance Lease where Company is the Lessor is recognised, measured, presented and disclosed in accordance with Accounting Standard -19-“Leases”.

Rental income is recognized on accrued basis over the lease term.

xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvi) Taxation

Tax Expense/(Tax Saving) is the aggregate of current year tax and deferred tax charged (or credited) to the statement of Profit and Loss for the year in accordance with Accounting Standard- 22- “Accounting for Taxes on Income” and measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

a) Current Year Charge

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

Notes to the Financial Statements as at and for the year ended 31st March, 2016

b) Deferred Tax

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate to the extent the timing difference are expected to be crystallised. Deferred tax assets on account of unabsorbed losses & unabsorbed depreciation are recognised to the extent there is virtual certainty of realising such assets against future taxable income.

xvii) Provisions, Contingent Liabilities & Contingent Assets

a) Provisions

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the Company has a present obligation as a result of a past event,
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of the obligation can be reliably estimated.

b) Contingent Liabilities

Contingent Liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a possible obligation, unless the probability of outflow of resources is remote.

c) Contingent Assets: Contingent Assets are neither recognised, nor disclosed.

d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458



**CONSOLIDATED
FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Isgec Heavy Engineering Limited (hereinafter referred to as "**the Holding Company**") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "**the Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "**the Consolidated Financial Statements**").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 1,799.07 lacs as at 31st March, 2016, total revenues of ₹ 268.25 lacs and net cash flows amounting to ₹ 393.02 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Holding Company and its subsidiaries incorporated in India is disqualified, as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
-

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its subsidiaries and jointly controlled entities - Refer Note 21 to the Consolidated Financial Statements;
 - ii. The respective entities of the Group have made provision, as required under the applicable law or accounting standards for any material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

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

K K Tulshan
Partner
Membership No. 085033

Place: Noida

Date: 26th May, 2016

Annexure A to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited (Holding Company) dated 26th May 2016 on its Consolidated Financial Statements

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section of our report referred above

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Isgec Heavy Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred as 'Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries and jointly controlled entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiaries not audited by us, is based on the corresponding report of the respective auditors of the subsidiaries incorporated in India.

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

K K Tulshan
Partner
Membership No. 085033

Place: Noida

Date: 26th May, 2016

CONSOLIDATED BALANCE SHEET as at 31st March, 2016

(₹ in lacs)

| Particulars | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|------------------------------------|----------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 735.29 | 735.29 |
| (b) Reserves and Surplus | 2 | 98,893.20 | 83,741.58 |
| | | 99,628.49 | 84,476.87 |
| (2) Minority Interest | | 5,360.82 | 4,648.70 |
| (3) Non-current Liabilities | | | |
| (a) Long-term Borrowings | 3 | 8,684.68 | 7,375.38 |
| (b) Deferred Tax Liabilities | 4 | 625.93 | 1,156.12 |
| (c) Other Long-term Liabilities | 5 | 15,768.43 | 14,057.67 |
| (d) Long-term Provisions | 6 | 12,601.85 | 14,509.13 |
| | | 37,680.89 | 37,098.30 |
| (4) Current Liabilities | | | |
| (a) Short-term Borrowings | 7 | 53,430.45 | 41,228.26 |
| (b) Trade Payables | 8 | 1,41,540.41 | 1,19,914.14 |
| (c) Other Current Liabilities | 9 | 60,327.59 | 53,611.64 |
| (d) Short-term Provisions | 10 | 12,292.98 | 8,066.58 |
| | | 2,67,591.43 | 2,22,820.62 |
| Total | | 4,10,261.63 | 3,49,044.49 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 56,270.26 | 49,912.33 |
| (ii) Intangible Assets | 11 | 4,720.29 | 4,973.02 |
| (iii) Capital Work-in-progress | | 1,034.76 | 1,431.10 |
| | | 62,025.31 | 56,316.45 |
| (b) Goodwill on consolidation | | 530.07 | 530.07 |
| (c) Non-current Investments | 12 | 311.17 | 311.17 |
| (d) Deferred Tax Assets | 4 | 1,163.17 | 1,149.73 |
| (e) Long-term Loans and Advances | 13 | 1,843.78 | 1,196.23 |
| (f) Other Non-current Assets | 14 | 974.01 | 457.63 |
| | | 66,847.51 | 59,961.28 |
| (2) Current Assets | | | |
| (a) Current Investments | 15 | 52,922.29 | 34,531.14 |
| (b) Inventories | 16 | 89,539.43 | 83,978.33 |
| (c) Trade Receivables | 17 | 1,43,973.35 | 1,03,795.14 |
| (d) Cash and Bank Balances | 18 | 31,041.19 | 38,193.59 |
| (e) Short-term Loans and Advances | 19 | 25,106.28 | 27,428.50 |
| (f) Other Current Assets | 20 | 831.58 | 1,156.51 |
| | | 3,43,414.12 | 2,89,083.21 |
| Total | | 4,10,261.63 | 3,49,044.49 |
| Notes to the Financial Statements | 1 to 48 | | |

The Notes referred to above form an integral part of the financial statements

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Note No. | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|----------|--------------------------|--------------------------|
| I. Revenue from Operations | 22 | 4,63,554.02 | 4,02,822.75 |
| Less: Excise Duty | | 11,975.67 | 7,440.10 |
| | | 4,51,578.35 | 3,95,382.65 |
| II. Other Income | 23 | 5,906.05 | 4,737.50 |
| III. Total Revenue | | 4,57,484.40 | 4,00,120.15 |
| IV. Expenses: | | | |
| (a) Cost of Material Consumed | 24 | 1,04,224.16 | 1,05,024.38 |
| (b) Purchase of goods for resale | | 1,92,351.82 | 1,50,044.41 |
| (c) Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - trade | 25 | (8,398.49) | (4,771.34) |
| (d) Employee Benefits Expenses | 26 | 30,829.38 | 27,807.92 |
| (e) Finance Costs | 27 | 4,807.83 | 3,472.45 |
| (f) Depreciation | | 7,568.91 | 8,251.35 |
| (g) Erection & Civil Cost | | 29,205.52 | 23,508.40 |
| (h) Other Expenses | 28 | 70,286.52 | 68,025.65 |
| Total Expenses (IV) | | 4,30,875.65 | 3,81,363.22 |
| V. Profit before Tax (III-IV) | | 26,608.75 | 18,756.93 |
| VI. Tax Expense: | | | |
| (a) Current Tax | 29 | 9,649.89 | 8,124.39 |
| (b) Deferred Tax | 4 | (543.63) | (1,700.39) |
| (c) Taxes for earlier year | | 15.80 | - |
| | | 9,122.06 | 6,424.00 |
| VII. Profit after Tax for the year (V-VI) | | 17,486.69 | 12,332.93 |
| Add/Less : Minority Interest in (income)/losses | | (565.11) | (553.39) |
| Profit/(loss) for the year | | 16,921.58 | 11,779.54 |
| VIII. Basic/Diluted earning per share of ₹ 10 each(₹) | 30 | 230.13 | 160.20 |
| Notes to the financial statements | 1 to 48 | | |

The Notes referred to above form an integral part of the financial statements

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| A. Cash flow from Operating activities: | | |
| Net (loss)/profit before tax but after exceptional /extraordinary items | 26,608.75 | 18,756.93 |
| Adjustments for: | | |
| Depreciation | 7,568.91 | 8,251.35 |
| Interest Expense | 4,807.83 | 3,472.45 |
| Interest Income | (3,668.18) | (3,123.97) |
| Income from Investment - Dividends | (0.15) | (9.34) |
| (Profit)/Loss on Diminution in value of stores and investments | 43.61 | 6.11 |
| (Profit)/Loss on Fixed Assets sold (Net) | 6.99 | (46.93) |
| (Profit)/Loss on Sale of Investment | (1,877.63) | (1,132.90) |
| Debts / Advances Written off | 343.50 | 15.22 |
| Liability no longer required written back | (819.58) | (713.64) |
| Operating profit before working capital changes | 33,014.05 | 25,475.28 |
| Adjustments for changes in working capital : | | |
| - (Increase) / Decrease in Trade Receivables | (40,521.71) | (24,096.37) |
| - (Increase) / Decrease in Other Receivables | 1,164.26 | (2,150.44) |
| - (Increase) / Decrease in Inventories | (5,604.71) | 2,037.66 |
| - Increase / (Decrease) in Trade, Other Payables and Provisions | 33,022.43 | 32,616.12 |
| Cash generated from operations | 21,074.33 | 33,882.25 |
| - Taxes (Paid) / Received (Net of TDS) | (9,987.05) | (7,787.54) |
| Net cash from Operating activities | 11,087.28 | 26,094.71 |
| B. Cash flow from Investing Activities | | |
| Purchase of fixed assets | (13,466.25) | (8,421.21) |
| Acquisition Interest in subsidiary company | - | (530.07) |
| Proceeds from Sale of fixed assets | 181.49 | 232.40 |
| Equity Contribution from Minority Shareholders | 147.00 | - |
| Sale/(Purchase) of Investments | (16,513.52) | (19,365.57) |
| Dividend Received | 0.15 | 9.34 |
| Interest Received (Revenue) | 3,987.14 | 4,177.86 |
| Net Cash used in Investing activities | (25,663.99) | (23,897.25) |

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| C Cash flow from Financing activities: | | |
| Proceeds/(Repayment) from Secured loans | 3,697.50 | 8,629.08 |
| Proceeds/(Repayment) of Unsecured loans | 9,942.99 | (9,929.20) |
| Interest and other Borrowing cost Paid | (4,751.93) | (4,034.73) |
| Dividend Paid | (1,464.24) | (1,247.00) |
| Net cash used in financing activities | 7,424.32 | (6,581.85) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (7,152.40) | (4,384.39) |
| Cash and cash equivalents at the beginning of the year | 38,193.59 | 42,577.98 |
| Cash and cash equivalents at the end of the year | 31,041.19 | 38,193.59 |
| Cash and cash equivalents comprise | | |
| Cash, Cheques & Drafts (in hand) and Remittances in transit | 108.70 | 148.46 |
| Current accounts (Dividend account) | 114.45 | 108.09 |
| Balance with Scheduled Banks | 1,622.82 | 2,401.04 |
| Term Deposit & Margin Money with Banks (against Bank Guarantees & Letter of Credit issued by Bank) | 29,195.22 | 35,536.00 |
| | 31,041.19 | 38,193.59 |

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3 .
- 2 Figures in brackets indicate cash outgo.
- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 1 : SHARE CAPITAL

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|-------------|---------------------|-------------|
| | Number of shares | (₹ in lacs) | Number of shares | (₹ in lacs) |
| Authorised | | | | |
| Equity shares of ₹ 10/-each with voting rights | 85,00,000 | 850.00 | 85,00,000 | 850.00 |
| Issued | | | | |
| Equity shares of ₹10/-each with voting rights | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| Subscribed and Fully Paid-up | | | | |
| Equity shares of ₹ 10/-each with voting rights | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| | 73,52,951 | 735.29 | 73,52,951 | 735.29 |

Notes:

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to number of equity shares held by each of the equity share holders.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

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

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|------------|---------------------|-------------|
| | Number of shares | (₹in lacs) | Number of shares | (₹ in lacs) |
| Equity shares outstanding at the beginning of the year | 73,52,951 | 735.29 | 73,52,951 | 735.29 |
| Add: Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Equity shares outstanding at the close of the year | 73,52,951 | 735.29 | 73,52,951 | 735.29 |

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

| Class of Shares / Name of the shareholders: | As at 31.03.2016 | | As at 31.03.2015 | |
|--|--------------------------|---|--------------------------|---|
| | Number of shares held | % Holding in that class of shares | Number of shares held | % Holding in that class of shares |
| Equity shares with voting rights | | | | |
| (i) Yamuna Syndicate Ltd. | 32,96,526 | 44.83% | 32,96,526 | 44.83% |
| (ii) Mr. Ranjit Puri (individually and/or jointly with others) | 6,59,201 | 8.97% | 6,59,201 | 8.97% |
| (iii) Mr. Aditya Puri (individually and/or jointly with others) | 4,56,808 | 6.21% | 4,56,808 | 6.21% |
| (iv) Mr. Ranjan Tandon (individually and/or jointly with others) | 4,38,900 | 5.97% | 4,38,900 | 5.97% |

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

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--------------------------|---------|---------|---------|---------|---------|
| Fully paid Equity Shares | - | - | 16,589 | - | - |

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

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 2 : RESERVES AND SURPLUS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (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 close 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 close of the year | 3.24 | 3.24 |
| (c) Securities Premium Account | | |
| Balance outstanding at the beginning of the year | 450.22 | 450.22 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the close of the year | 450.22 | 450.22 |
| (d) General Reserve | | |
| Balance outstanding at the beginning of the year | 18,816.93 | 17,384.99 |
| Add: Additions during the year | - | 1,431.94 |
| Less: Utilised during the year | - | - |
| Balance outstanding at the close of the year | 18,816.93 | 18,816.93 |
| (e) Surplus in Statement of Profit and Loss | | |
| Balance outstanding at the beginning of the year | 64,471.18 | 56,537.58 |
| Add: Additions during the year | 16,921.58 | 11,779.54 |
| Less: Appropriations | | |
| - Proposed Dividend - @ ₹ 10/- per share (Previous year @ ₹ 10 per share) | 735.30 | 735.30 |
| - Interim Dividend @ ₹ 10/- per share (Previous year @ ₹ 10 per share) | 735.30 | 735.30 |
| - Dividend Tax | 299.36 | 296.70 |
| - Adjustment for Depreciation (net of deferred taxes) | - | 646.70 |
| - Transfer to General Reserve | - | 1,431.94 |
| Balance outstanding at the close of the year | 79,622.80 | 64,471.18 |
| Total | 98,893.20 | 83,741.58 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 3 : LONG - TERM BORROWINGS

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|--|---------------------|-----------------|-----------------|---------------------|---------------|-----------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Term loan | | | | | | |
| (a) From Banks | | | | | | |
| External Commercial Borrowings (refer note - 3.1 below) | 926.70 | - | 926.70 | 3,038.38 | - | 3,038.38 |
| Indian Rupee Loan Under SEFASU, 2014 Scheme (refer note-3.2 below) | 2,366.00 | - | 2,366.00 | 3,549.00 | - | 3,549.00 |
| Soft Loan from Banks under Central Govt. Scheme (refer note 3.3 below) | 2,904.69 | - | 2,904.69 | - | - | - |
| (b) Deposits - refer Note 3.4 below | | | | | | |
| Public | - | 2,477.29 | 2,477.29 | - | 788.00 | 788.00 |
| Shareholders | - | - | - | - | - | - |
| Directors | - | 10.00 | 10.00 | - | - | - |
| TOTAL | 6,197.39 | 2,487.29 | 8,684.68 | 6,587.38 | 788.00 | 7,375.38 |

Note 3.1 : PARTICULARS OF EXTERNAL COMMERCIAL BORROWING

(₹ in lacs)

| Initial Loan Amount | Term Loan outstanding as at 31.03.16 | Current maturity | Long term | Rate of Interest (p.a.) | Term of repayment | Security |
|---------------------|--------------------------------------|-------------------------------|-----------------------------|-------------------------|---|--|
| 5,658.00 | - | - | - | 8.23% | Repayable in quarterly installments. First installment of ₹ 176.81 lacs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lacs. Last installment was paid on 22.07.2015 | Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company. |
| 9,890.00 | 1,648.33 (4,285.66) | 1,648.33 (2,637.33) | - | 7.10% | Repayable in quarterly installments. First installment of ₹ 329.67 lacs was due and paid on 05.01.2013. The balance is payable 14 quarterly installments of ₹ 659.33 lacs and last installment of ₹ 329.67 lacs, which is due on 05.10.2016 | Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company |
| 1,853.40 | 1,390.05 (1,853.40) | 463.35 (463.35) | 926.70 (1,390.05) | 11.20% | Repayable in quarterly installments. First installment of ₹ 115.84 lacs was due and paid on 22.04.2015 and balance in equal installments of ₹ 115.84 lacs. Last payment of ₹ 115.84 lacs due on 22.10.2018 | Exclusive charge on specific movable and immovable fixed assets of Isgec Hitachi Zosen Limited and Corporate Guarantee By Isgec Heavy Engineering Limited for USD 3.00 million |
| Total | 3,038.38 (6,869.89) | 2,111.68 (3,831.51) | 926.70 (3,038.38) | | | |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2016

Note 3.2 : Particulars of Rupee Term Loan under SEFASU, 2014 Scheme

(₹ in lacs)

| Initial Loan Amount | Term Loan outstanding as at 31.03.16 | Current maturity | Long term | Rate of Interest (p.a.) | Term of repayment | Security |
|---------------------|--------------------------------------|------------------|------------------------|-------------------------|---|---|
| 3,549.00 | 3,549.00 (3,549.00) | 1,183.00 (-) | 2,366.00 (3,549.00) | 12.00% | The loan is repayable in 12 equal quarterly installments, after moratorium period of 2 years. Installments of ₹ 295.75 lac each start from April, 2016 and end in January, 2019 | Term Loan Under SEFASU, 2014 Scheme is secured by way of extension of first pari passu charge on fixed & current assets of Saraswati Sugar Mills Ltd. |

Note 3.3 : Soft Loan from Banks Under Central Govt. Scheme

(₹ in lacs)

| Initial Loan Amount | Term Loan outstanding as at 31.03.16 | Current maturity | Long term | Rate of Interest (p.a.) | Term of repayment | Security |
|---------------------|--------------------------------------|------------------|-----------------|-------------------------|---|---|
| 3,575.00 | 3,575.00 (-) | 670.31 (-) | 2,904.69 (-) | 11.70% | The loan is repayable in 16 equal quarterly installments, after moratorium period of one year. Installments of ₹ 223.44 lacs are to be paid from August, 2016 to May, 2020. | Secured by way of pledge of Sugar stocks and Gunny bags on pari passu basis and 1st charge on fixed assets on pari passu basis. |

Note 3.4 : Particulars of Public Deposit

(₹ in lacs)

| Deposits | Deposit outstanding as on 31.03.16 | Current maturity | Short term | Long term | Period of Deposit : Rate of Interest (p.a.) | Term of repayment | Security |
|--------------|------------------------------------|----------------------|----------------------|------------------------------------|--|--------------------------------|-----------|
| Public | 2,477.29 (788.00) | - | - | 2,477.29 (788.00) | 1 Year 8.00% 2 Year 8.50% *3 Year 10.00% *For Employees 10.25% for 3 years | Repayment on due maturity date | Unsecured |
| Share holder | - (-) | - (-) | - (-) | - (-) | | | |
| Director | 10.00 - | - - | - - | 10.00 - | | | |
| Total | 2,487.29 (788.00) | - - | - - | 2,487.29 (788.00) | | | |

Note 3.5 : Figures in parenthesis pertains to previous year.

Note 4 : DEFERRED TAX

The Company estimates the Deferred tax (charge)/ credit for the year using the applicable tax rate based on the impact of timing differences between items in the financial statements and the estimated taxable income for the current year. The movement in provision for Deferred tax is given below:-

(₹ in lacs)

| Element of Deferred Tax | As at 31.03.2014 | Credit / (Charge) during the year | As at 31.03.2015 | Credit / (Charge) during the year | As at 31.03.2016 |
|--|-------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| Depreciation | (3,669.48) | 376.08 | (3,293.40) | 373.91 | (2,919.49) |
| Carrying amount of Fixed Asset recognised in the opening balance of retained earning | - | 315.36 | 315.36 | - | 315.36 |
| Business Loss | 866.77 | 1,321.25 | 2,188.02 | (21.72) | 2,166.30 |
| Other Timing Differences | 780.58 | 3.05 | 783.63 | 191.44 | 975.07 |
| Net Deferred Tax | (2,022.14) | 2,015.74 | (6.39) | 543.63 | 537.24 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Amount Recognised in Balance Sheet | | |
| Deferred Tax Liabilities (Item No. I- 3 (b)) | (625.93) | (1,156.12) |
| Deferred Tax Assets (Item No. II- 1 (d)) | 1,163.17 | 1,149.73 |
| | 537.24 | (6.39) |

Note 5 : OTHER LONG TERM LIABILITIES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (a) Trade Payables | | |
| (i) To Micro & Small Enterprises | - | - |
| (ii) To Other than Micro & Small Enterprises | 6.25 | 6.25 |
| (b) Others: | | |
| (i) Interest accrued but not due on Public Deposits | 211.06 | 14.74 |
| (ii) Advance from Customers | 15,321.86 | 13,815.38 |
| (iii) Security and Other Deposits | 229.26 | 219.74 |
| (iv) Sundries | - | 1.56 |
| Total | 15,768.43 | 14,057.67 |

Note 6 : LONG-TERM PROVISIONS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Provision for Employee Benefits: | | |
| (i) Provision for Leave Encashment (unfunded) (refer note 26.1) | 2,003.31 | 1,497.40 |
| (ii) Provision for Pension (Unfunded) | 1,351.55 | 1,376.64 |
| (b) Provision Others | | |
| (i) Provision for Performance Warranties/ After Sales Service (refer note 6.1) | 9,246.99 | 11,635.09 |
| Total | 12,601.85 | 14,509.13 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 6.1 : Movement of provision for Liabilities

Disclosure in terms of Accounting Standard AS – 29 on Provisions, Contingent Liabilities and Contingent Assets:-

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|--|---------------------|
| (a) Movement of provision for Performance Warranties/After Sales Services | | |
| (i) Opening Balance | 17,064.23 | 14,873.81 |
| (ii) Provided for during the Year | 5,225.97 | 5,454.05 |
| (iii) Used during the Year | (2,646.76) | (2,951.19) |
| (iv) Reversed during the Year | (673.22) | (312.44) |
| (v) Closing Balance | 18,970.22 | 17,064.23 |
| Break up of Closing Balance | | |
| Long term provisions | 9,246.99 | 11,635.09 |
| Short term provisions (refer note 10) | 9,723.23 | 5,429.14 |
| (b) Timing of outflow/uncertainties | Outflows will happen as and when claims are made by Customers. | |

Note 7 : SHORT-TERM BORROWINGS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| (a) Secured | | |
| (i) Cash Credit (refer note 7.1 and 7.2) | 17,608.80 | 22,490.76 |
| (ii) Packing Credit Loan from Banks (refer note 7.1 & 7.3) | | |
| -In Indian rupees | 14,000.00 | - |
| -In Foreign currency (US Dollars) | 2,321.65 | 17,485.68 |
| (iii) Soft Loan from Banks under State Govt Scheme. (refer note 7.4) | 10,000.00 | - |
| | 43,930.45 | 39,976.44 |
| (b) Unsecured | | |
| (i) Packing Credit Loan from Banks (refer note 7.3) | | |
| -In Indian rupees | 9,500.00 | - |
| -In Foreign currency (US Dollars) | - | 1,251.82 |
| | 9,500.00 | 1,251.82 |
| Total | 53,430.45 | 41,228.26 |

Note 7.1 : Secured by hypothecation/pledge of inventories and by way of a charge on book debts and other assets, on pari passu basis to working capital consortium bankers.

Note 7.2 : Repayable on demand.

Note 7.3 : Average rate of interest on Packing Credit Loans from Banks is 0.97 % p.a in Foreign Currency (all loans are in USD) (previous year 1.13 % p.a) and 9.08 % p.a. in Indian Rupees (previous year not applicable)

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 7.4 : Soft Loan from Banks under State Govt Scheme.

Soft loan was granted under the scheme of financial assistance declared by the Haryana Government for payment of cane price arrears season 2014-15. As per the scheme, loan is interest free for six months and carries interest @ 8.50% p.a after six months. Soft loan will be repayable within 12 months from the date of disbursement i.e ₹ 6,400 Lac will be payable by June, 2016 and ₹ 3,600 Lac will be payable by July, 2016. Loan is secured by way of pledge of Sugar stocks and second charge on Fixed Assets having valuation of ₹ 15,000 Lacs.

Note 8 : TRADE PAYABLES

| Particulars | (₹ in lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| (a) To Micro & Small Enterprises (refer note 8.1) | 54.32 | 113.55 |
| (b) To Other than Micro & Small Enterprises | 1,41,381.39 | 1,19,751.45 |
| (c) To Related Parties | 104.70 | 49.14 |
| Total | 1,41,540.41 | 1,19,914.14 |

Note 8.1 Trade Payables to Micro and Small Enterprises

| Particulars | (₹ in lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| (a) Amount remaining unpaid to any supplier | | |
| Principal Amount | 54.32 | 113.55 |
| Interest due thereon | - | - |
| (b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006 | 0.09 | 0.03 |
| (c) Interest due (other than (b) above) | - | - |
| (d) Interest accrued and unpaid | - | - |
| (e) Interest due and payable till actual payment | - | - |

Note 9 : OTHER CURRENT LIABILITIES

| Particulars | (₹ in lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| (a) Current maturities of long-term debt* | | |
| (i) External Commercial Borrowing (refer note 3.1) | 2,111.68 | 3,831.51 |
| (ii) Indian Rupee Loan Under SEFASU, 2014 Scheme (refer note 3.2) | 1,183.00 | - |
| (iii) Soft Loan from Banks under Central Govt. Scheme (refer note 3.3) | 670.31 | - |
| (iv) Deposits (refer note 3.4) | | |
| Public | - | - |
| Shareholders | - | - |
| Directors | - | - |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (b) Interest accrued but not due on borrowings | 242.86 | 383.28 |
| (c) Advance from customers | 43,481.95 | 38,530.34 |
| (d) Unpaid dividends | 114.45 | 108.09 |
| (e) Unpaid matured deposits | - | - |
| (f) Interest accrued on unpaid matured deposits | - | - |
| (g) Creditors for Capital expenditure | 254.76 | 245.91 |
| (h) Other creditors | 991.61 | 1,251.91 |
| (i) Other creditors related parties | - | 2.86 |
| (j) Statutory remittances | 4,227.54 | 2,288.47 |
| (k) Security and Other Deposits | 344.86 | 343.59 |
| (l) Director's Current Account | 2.76 | 1.73 |
| (m) Book Overdraft | 2.63 | 7.11 |
| (n) Director's Remuneration | 2,893.13 | 2,362.36 |
| (o) Payables to Employees | 899.16 | 1,597.81 |
| (p) Other Liabilities | 2,906.89 | 2,656.67 |
| Total | 60,327.59 | 53,611.64 |

* For details of Security for Current maturities of long term debt please refer Note 3.1, 3.2 and 3.3.

Note 10: SHORT-TERM PROVISIONS

(₹ in lacs)

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|------------------|---------------------|-----------------|
| (a) Provision for Employee Benefits: | | | | |
| (i) Provision for Leave Encashment (Unfunded) (refer note 26.1) | | 198.89 | | 162.66 |
| (ii) Provision for Pension (Unfunded) | | 128.85 | | 173.57 |
| (iii) Provision for Gratuity (Funded) (refer note 26.1) | | 39.05 | | 14.13 |
| (b) Provision Others | | | | |
| (i) Provision for Performance Warranties / After Sales Services (refer note 6.1) | | 9,723.23 | | 5,429.14 |
| (ii) Provision for Income Tax | | | | |
| Provision for Income Tax | 10,892.19 | | 8,962.22 | |
| Less: Prepaid Taxes | 9,684.84 | 1,207.35 | 7,732.89 | 1,229.33 |
| (iii) Provision for Proposed Equity Dividend | | 735.30 | | 735.30 |
| (iv) Provision for Tax on Proposed Dividend | | 149.68 | | 149.69 |
| (v) Provision for CSR Expenditure | | 110.63 | | 172.76 |
| Total | | 12,292.98 | | 8,066.58 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 11 : FIXED ASSETS

(₹ in lacs)

| | Gross Block | | | Depreciation | | | | Net Block | | |
|-----------------------------------|--------------------------|------------------|-------------------------|--------------------------|--------------------------|-------------------------------|--------------------|---------------------------------|--------------------------|--------------------------|
| | Balance as at 01.04.2015 | Additions | Deductions/ Adjustments | Balance as at 31.03.2016 | Balance as at 01.04.2015 | Transfer to Retained Earnings | For the year ended | Deduction on disposal of assets | Balance as at 31.03.2016 | Balance as at 31.03.2015 |
| Tangible Assets | | | | | | | | | | |
| Land (Free Hold) | 5,624.82 | 6,633.78 | - | 12,258.60 | - | - | - | - | 12,258.60 | 5,624.82 |
| Land (Lease Hold) | 3,407.98 | 113.94 | - | 3,521.92 | 569.68 | - | 72.97 | - | 2,879.27 | 2,838.30 |
| Buildings and Roads | 20,865.40 | 2,139.52 | 17.18 | 22,987.74 | 8,495.17 | - | 1,152.53 | 5.67 | 13,345.71 | 12,370.23 |
| Plant and Machinery | 60,040.03 | 3,256.95 | 342.37 | 62,954.61 | 32,900.11 | - | 4,500.09 | 215.54 | 25,769.95 | 27,139.92 |
| Furniture & Fixtures | 1,441.52 | 203.81 | 18.85 | 1,626.48 | 1,004.54 | - | 134.33 | 17.22 | 504.83 | 436.98 |
| Vehicles | 1,978.15 | 222.31 | 188.43 | 2,012.03 | 1,342.10 | - | 237.25 | 145.40 | 578.08 | 636.05 |
| Office equipments | 3,973.40 | 579.05 | 151.82 | 4,400.63 | 3,107.37 | - | 505.78 | 146.34 | 933.82 | 866.03 |
| TOTAL | 97,331.30 | 13,149.36 | 718.65 | 1,09,762.01 | 47,418.97 | 0.00 | 6,602.95 | 530.17 | 53,491.75 | 49,912.33 |
| Previous Year - Tangible Assets | 87,438.11 | 10,533.24 | 640.05 | 97,331.30 | 39,568.94 | 962.06 | 7,342.55 | 454.58 | 47,418.97 | 49,912.33 |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 342.10 | - | - | 342.10 | 342.10 | - | - | - | - | - |
| Software (Acquired) | 2,071.61 | 713.28 | - | 2,784.89 | 1,128.58 | - | 319.48 | - | 1,336.83 | 943.03 |
| Technical Know How (Acquired) | 6,582.77 | - | - | 6,582.77 | 2,552.78 | - | 646.53 | - | 3,199.31 | 4,029.99 |
| TOTAL | 8,996.48 | 713.28 | - | 9,709.76 | 4,023.46 | - | 966.01 | - | 4,989.47 | 4,973.02 |
| Previous Year - Intangible Assets | 8,571.06 | 528.08 | 102.66 | 8,996.48 | 3,217.25 | - | 908.87 | 102.66 | 4,023.46 | 4,973.02 |
| GRAND TOTAL | 1,06,327.78 | 13,862.64 | 718.65 | 1,19,471.77 | 51,442.43 | - | 7,568.96 | 530.17 | 58,481.22 | 54,885.35 |
| PREVIOUS YEAR | 96,009.17 | 11,061.32 | 742.71 | 1,06,327.78 | 42,786.19 | 962.06 | 8,251.42 | 557.24 | 51,442.43 | 54,885.35 |

Notes :

- Borrowing costs capitalised during the year NIL (Previous year ₹ 96.57 Lacs)
- Cost of software includes Purchase Price, Duties & taxes (Other than recoverable from taxing authorities).
- Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/ rearranged wherever considered necessary.
- Useful Life of Additions under Software is 5 years and for technical know how is 10 years.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 12 : NON-CURRENT INVESTMENTS - AT COST

(₹ in lacs)

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|---|----------------|----------------------|-------------------|----------------------|-------------------|
| | | No. of Equity Shares | Value (₹ in lacs) | No. of Equity Shares | Value (₹ in lacs) |
| Investments (at cost) | | | | | |
| a) Other Companies (Quoted) - Non Trade: | | | | | |
| DCM Shriram Industries Ltd. | 10 | 2,65,000 | 304.75 | 2,65,000 | 304.75 |
| Reliance Industries Ltd. | 10 | 704 | 3.36 | 704 | 3.36 |
| Reliance Power Ltd. | 10 | 872 | 2.46 | 872 | 2.46 |
| b) Other Investment (unquoted) - Trade | | | | | |
| Post Office Saving Account | | | 0.60 | | 0.60 |
| Total | | | 311.17 | | 311.17 |
| Aggregate Value of Investments : | | | | | |
| Unquoted | | | 0.60 | | 0.60 |
| Quoted | | | 310.57 | | 310.57 |
| Market value of quoted investments | | | 330.29 | | 202.14 |

Note 13 : LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|---|--------------------------|----------------------------|-----------------|--------------------------|----------------------------|-----------------|
| | Secured, considered good | Unsecured, considered good | Total | Secured, considered good | Unsecured, considered good | Total |
| (a) Capital Advance | - | 583.72 | 583.72 | - | 83.72 | 83.72 |
| (b) Security Deposits | | | | | | |
| - to Others | - | 751.03 | 751.03 | - | 703.27 | 703.27 |
| - to Related Parties | - | 10.11 | 10.11 | - | 10.11 | 10.11 |
| (c) Loans and Advances to employees | 262.51 | 193.95 | 456.46 | 240.53 | 121.62 | 362.15 |
| (d) Income Tax on Cumulative Deposit Scheme | - | 4.45 | 4.45 | - | 0.35 | 0.35 |
| (e) Advance to suppliers | - | - | - | - | 0.47 | 0.47 |
| (f) Prepaid Expenses | - | 13.11 | 13.11 | - | - | - |
| (g) Others | - | 24.90 | 24.90 | - | 36.16 | 36.16 |
| Total | 262.51 | 1,581.27 | 1,843.78 | 240.53 | 955.70 | 1,196.23 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 14 : OTHER NON-CURRENT ASSETS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| (a) Long-term Trade Receivables | | |
| (i) Secured, considered good | - | - |
| (ii) Unsecured, considered good | 124.64 | 124.64 |
| (b) Preoperative Expenses | 0.20 | 11.56 |
| (c) Minimum Alternate Tax Credit entitlement | 633.38 | 295.00 |
| (d) Others (refer note 18.1(a)(iii) and 18.1(b)(iii)) | 215.79 | 26.43 |
| Total | 974.01 | 457.63 |

Note 15 : CURRENT INVESTMENTS

(₹ in lacs)

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-------------------|---------------------|----------------------|---------------------|----------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| Investments (at lower of cost and quoted/ fair value) - Non Trade | | | | | |
| Investments in Debentures | | | | | |
| -Quoted | | | | | |
| Canara Bank | 10,00,000 | 50 | 500.00 | 50 | 500.00 |
| ECL Finance Limited | 1,000 | 50,000 | 500.00 | 50,000 | 500.00 |
| Citicorp Finance (India) Limited NCD Series-548 | 1,00,000 | 500 | 500.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-559 | 1,00,000 | 1,000 | 1,000.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-563 | 1,00,000 | 2,000 | 2,000.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-568 | 1,00,000 | 800 | 800.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-572 | 1,00,000 | 600 | 600.00 | - | - |
| Citicorp Finance (India) Limited NCD Series-575 | 1,00,000 | 500 | 500.00 | - | - |
| Edelweiss Finance & Investment Limited NCD Series-L7L501A | 1,00,000 | 300 | 300.00 | - | - |
| | | | 6,700.00 | | 1,000.00 |
| -Unquoted | | | | | |
| Reliance Capital Limited-Debenture series B/257 | 1,00,000 | - | - | 195 | 195.00 |
| Edelweiss Finance & Investment Limited-Market linked debenture | 1,00,000 | 225 | 225.00 | 225 | 225.00 |
| | | | 225.00 | | 420.00 |
| Investment in Mutual Funds (Unquoted) | | | | | |
| Axis Short Term Fund-Direct Plan-Growth | 10 | 82,05,391.46 | 1,300.00 | - | - |
| Birla Sun Life Cash Plus - Regular - Growth | 100 | 1,86,663.39 | 448.06 | - | - |
| Birla Sun Life Savings Fund-Growth-Direct Plan | 100 | 5,26,471.51 | 1,500.00 | - | - |
| DSP Blackrock Liquidity Fund -Direct - Growth | 1,000 | - | - | 26,014.29 | 500.00 |
| DSP Blackrock FMP - Series 152-12.5M-Dir - Growth | 10 | - | - | 50,00,000.00 | 500.00 |
| DSP Blackrock Liquidity Fund -Institutional Plan - Growth | 1,000 | - | - | 42,575.50 | 800.00 |
| DSP Blackrock Ultra Short Term Fund-Direct Plan-Growth | 10 | 52,93,515.53 | 573.92 | - | - |
| DWS Short Maturity Fund - Regular Plan - Annual Bonus | 10 | - | - | 41,82,952.69 | 601.25 |
| DWS Treasury Fund - Investment - Regular Plan - Bonus | 10 | - | - | 7,38,222.04 | - |
| HDFC Banking and PSU Debt Fund- Direct Growth Option | 10 | 87,76,220.26 | 1,000.00 | 45,39,470.70 | 500.00 |
| HDFC Liquid Fund- Direct Plan-Growth Option | 10 | - | - | 25,88,355.36 | 700.00 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|---|-------------------|---------------------|----------------------|---------------------|----------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| HSBC Cash Fund-Growth Direct Plan | 1,000 | - | - | 36,310.96 | 500.00 |
| ICICI Prudential Money Market Fund - Direct Plan - Growth | 100 | - | - | 3,43,047.45 | 652.02 |
| ICICI Prudential Income - Direct Plan - Growth | 10 | 11,27,466.90 | 500.00 | 11,27,466.90 | 500.00 |
| ICICI Prudential Interval Fund III Quarterly Interval - Direct Plan - Growth | 10 | - | - | 33,67,661.00 | 500.00 |
| ICICI Prudential Interval Fund II Quarterly Interval Plan A- Direct Plan - Growth | 10 | - | - | 43,42,086.98 | 500.00 |
| ICICI Prudential Flexible Income-Direct Plan - Growth | 100 | 7,65,081.38 | 2,000.00 | 7,65,081.38 | 2,000.00 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth | 10 | 23,24,521.85 | 500.00 | 23,24,521.85 | 500.00 |
| ICICI Prudential Savings Fund-Direct Plan-Growth | 100 | 8,91,708.03 | 2,000.00 | - | - |
| ICICI Prudential FMP Series 78-95 Days Plan K Direct Plan | 10 | 1,50,00,000.00 | 1,500.00 | - | - |
| IDFC Corporate Bond Fund Direct Plan-Growth | 10 | 20,00,000.00 | 200.00 | - | - |
| JP Morgan India Liquid Fund - Direct Plan - Growth | 10 | - | - | 6,01,818.70 | 100.00 |
| JPMorgan India Government Securities Fund - Direct Plan | 10 | 51,25,217.81 | 600.00 | 51,25,217.81 | 600.00 |
| JPMorgan India Treasury Fund - Direct Plan-Growth Option | 10 | - | - | 43,42,327.38 | 800.00 |
| Kotak Treasury Advantage Fund - Direct Plan - Growth | 10 | 66,30,066.94 | 1,545.65 | 24,60,481.57 | 545.65 |
| Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth | 1,000 | - | - | 31,191.70 | 1,000.00 |
| Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option | 1,000 | - | - | 64,590.48 | 2,200.58 |
| Reliance Short Term Fund - Direct Growth Plan Growth Option | 10 | 57,75,749.73 | 1,500.00 | 57,75,749.73 | 1,500.00 |
| Reliance Dynamic Bond Fund-Direct Growth Plan | 10 | 52,48,591.19 | 1,000.00 | 52,48,591.19 | 1,000.00 |
| Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option | 10 | 10,50,574.66 | 200.00 | 10,50,574.66 | 200.00 |
| Reliance Liquid Fund-Cash Plan-Direct Growth Plan | 1,000 | - | - | 67,206.49 | 1,500.00 |
| Reliance Quarterly Interval Fund-Series II-Direct Growth Plan-Growth Option | 10 | 97,57,573.10 | 2,000.00 | 26,42,370.95 | 500.00 |
| Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan | 10 | 50,00,000.00 | 500.00 | 50,00,000.00 | 500.00 |
| Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan | 10 | 50,00,000.00 | 500.00 | 50,00,000.00 | 500.00 |
| Reliance Money Manager Fund-Direct Growth Plan-Growth Option | 1,000 | 9,802.79 | 203.08 | - | - |
| Reliance Medium Term Fund-Direct Growth Plan-Growth Option | 10 | 1,52,36,532.98 | 4,723.00 | - | - |
| Reliance Fixed Horizon Fund-XXX-Series-9-Direct Growth Plan | 10 | 1,00,00,000.00 | 1,000.00 | - | - |
| Reliance Fixed Horizon Fund-XXX-Series-17-Direct Growth Plan | 10 | 50,00,000.00 | 500.00 | - | - |
| Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan | 10 | 50,00,000.00 | 500.00 | - | - |
| SBI Magnum Income Fund- Regular Plan - Growth | 10 | 72,85,529.59 | 2,256.64 | 72,85,529.59 | 2,256.64 |
| SBI Debt Fund Series A 14 - 380 days -Regular - Growth | 10 | - | - | 50,00,000.00 | 500.00 |
| SBI Debt Fund Series A 16 - 366 days -Regular - Growth | 10 | 60,00,000.00 | 600.00 | 60,00,000.00 | 600.00 |
| SBI Ultra Short Debt Fund - Regular Plan - Growth | 1,000 | - | - | 71,992.73 | 1,255.00 |
| SBI Treasury Advantage Fund - Direct Plan - Growth | 1,000 | 2,45,883.53 | 4,000.00 | 97,173.74 | 1,500.00 |
| SBI Magnum Insta Cash Fund - Regular Plan - Growth | 1,000 | - | - | 1,61,889.58 | 5,000.00 |
| SBI Dual Advantage Fund-Series XI-Regular-Growth | 10 | 10,00,000.00 | 100.00 | - | - |
| SBI Corporate Bond Fund-Regular Plan-Growth | 10 | 21,85,830.57 | 500.00 | - | - |
| SBI Dual Advantage Fund-Series XII-Regular-Growth | 10 | 10,00,000.00 | 100.00 | - | - |
| SBI Regular Savings Fund-Direct Plan-Growth | 10 | 81,22,463.88 | 2,000.00 | - | - |
| SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Growth | 1,000 | 19,607.84 | 500.00 | - | - |
| SBI Debt Fund Series-B-34 (1134 Days)-Direct Growth | 10 | 1,00,00,000.00 | 1,000.00 | - | - |
| SBI Dual Advantage Fund-Series XV-Regular-Growth | 10 | 20,00,000.00 | 200.00 | - | - |
| Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct | 10 | - | - | 27,76,142.94 | 500.00 |
| Religare Invesco Medium Term Bond Fund-Direct Plan Growth | 1,000 | 65,863.99 | 1,000.00 | - | - |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

| Particulars | Face Value (₹) | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-------------------|---------------------|----------------------|---------------------|----------------------|
| | | No. of Units | Value (₹ in lacs) | No. of Units | Value (₹ in lacs) |
| UTI-Dynamic Bond Fund-Direct Plan-Growth | 10 | 31,42,914.61 | 500.00 | 31,42,914.61 | 500.00 |
| UTI-Short Term Income Fund-Institutional Option-Direct Plan-Growth | 10 | 28,58,972.60 | 500.00 | - | - |
| UTI Liquid Cash Plan - Institutional - Direct Plan - Growth | 1,000 | 53,229.77 | 1,300.00 | - | - |
| Kotak Low Duration Fund Direct Growth | 1,000 | 82,858.55 | 1,500.00 | - | - |
| HDFC FMP 92D March 2016(1)-Direct Plan-Series-35 | 10 | 1,27,36,642.00 | 1,273.66 | - | - |
| | | | 43,624.01 | | 31,811.14 |
| Investment in AIF (Unquoted) | | | | | |
| ASK Real Estate AIF | | | 90.00 | | - |
| Reliance Yield Maximiser AIF | | | 487.04 | | - |
| Forefront Alternative Investment Equity Scheme | | | 200.00 | | - |
| Ambit Alpha Fund | | | 200.00 | | - |
| India Wizdom Fund-AIF | | | 20.00 | | - |
| | | | 997.04 | | - |
| Deposits (Unquoted) | | | | | |
| HDFC Limited | | | 500.00 | | 800.00 |
| Mahindra & Mahindra Financial Services Ltd. | | | 99.00 | | - |
| Bajaj Finance Limited | | | 300.00 | | - |
| PNB Housing Finance Ltd | | | 500.00 | | 500.00 |
| | | | 1,399.00 | | 1,300.00 |
| | | | 52,945.05 | | 34,531.14 |
| | | | | | |
| Less: Provision for diminution in value of Investments | | | 22.76 | | - |
| Total | | | 52,922.29 | | 34,531.14 |
| Aggregate Value of Investments : | | | | | |
| Unquoted | | | 46,245.05 | | 33,531.14 |
| Quoted | | | 6,722.76 | | 1,000.00 |
| Market value of quoted Investments | | | 6,802.00 | | 995.90 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 16: INVENTORIES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Raw Materials (at lower of cost or net realisable value) | 10,343.23 | 13,661.52 |
| Raw Material in Transit (at lower of cost or net realisable value) | 691.06 | 370.52 |
| Stores and Spares Parts (at lower of cost or net realisable value) | 2,555.77 | 2,659.82 |
| Stores in transit (at lower of cost or net realisable value) | 3.23 | 7.78 |
| Goods for Resale in Transit (at lower of cost or net realisable value) | 1,593.36 | 1,326.85 |
| Work-in-Progress : | | |
| a) Engineering Goods (at lower of cost or net realisable value) | 27,366.20 | 32,115.86 |
| b) Ingots and Steel Castings (at lower of cost or net realisable value) | 2,052.61 | 1,670.44 |
| c) Erection (at lower of cost or net realisable value) | 781.53 | 167.85 |
| d) Sugar (at lower of cost or net realisable value) | 108.01 | 88.09 |
| Finished Stock : | | |
| i) Ingots and Steel Castings (at lower of cost or net realisable value) | - | - |
| ii) Trading Goods | - | - |
| iii) Sugar (at lower of cost or net realisable value) | 43,402.19 | 30,915.67 |
| iv) Molasses (Average net realisable value) | 617.82 | 971.94 |
| Loose Tools (at lower of cost or net realisable value) | 20.70 | 18.41 |
| Farm Stock & Standing Crops (at estimated market value and at estimated cost respectively) | 3.72 | 3.58 |
| Total | 89,539.43 | 83,978.33 |

Note 17: TRADE RECEIVABLES

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 10,980.77 | 20,925.17 |
| Unsecured, considered doubtful | 88.70 | 88.70 |
| | 11,069.47 | 21,013.87 |
| Less: Provision For Doubtful Debts | 88.70 | 88.70 |
| | 10,980.77 | 20,925.17 |
| Other Trade Receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 1,32,992.58 | 82,869.97 |
| Unsecured, considered doubtful | - | - |
| | 1,32,992.58 | 82,869.97 |
| Less: Provision For Doubtful Debts | - | - |
| | 1,32,992.58 | 82,869.97 |
| Total | 1,43,973.35 | 1,03,795.14 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 18: CASH AND BANK BALANCES

| Particulars | (₹ in lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| a) Cash and Cash equivalents | | |
| i) Cash in hand | 28.36 | 46.29 |
| ii) Cheques, Drafts in hand | 80.34 | 102.17 |
| iii) Balance with Banks: | | |
| In Current and Cash Credit Accounts | 1,622.82 | 2,401.04 |
| In Fixed Deposits Accounts (refer note 18.1 (a) (i)) | - | 800.00 |
| | 1,731.52 | 3,349.50 |
| b) Other Bank Balances | | |
| (i) In Fixed Deposits Accounts (refer note 18.1 (a) (ii)) | 27,827.43 | 33,282.31 |
| (ii) In Fixed Deposits Accounts (refer note 18.1(b) (i) & (ii)) | 1,367.79 | 1,453.69 |
| (iii) In earmarked Accounts: | | |
| -Unpaid Dividend Accounts | 114.45 | 108.09 |
| | 29,309.67 | 34,844.09 |
| Total | 31,041.19 | 38,193.59 |

Note 18.1 : Fixed Deposits With Banks

| Particulars | (₹ in lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| a) Free From any Lien | | |
| (i) Maturing within 3 months from date of deposit (Classified as cash and cash equivalents) | - | 800.00 |
| (ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (Classified as other bank balance) | 27,827.43 | 33,282.31 |
| (iii) Maturing after one year of Balance Sheet date (Classified as and included in Other Non current Asset- refer note 14) | 215.79 | - |
| | 28,043.22 | 34,082.31 |
| b) Under Lien | | |
| (i) Maturing within 3 months from date of deposit (Classified as other bank balances) | 103.69 | 505.58 |
| (ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (Classified as other bank balance) | 1,264.10 | 948.11 |
| (iii) Maturing after one year of Balance Sheet date (Classified as and included in Other Non current Asset- refer note 14) | - | 26.43 |
| | 1,367.79 | 1,480.12 |
| Total | 29,411.01 | 35,562.43 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 19 : SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars | As at 31.03.2016 | | | As at 31.03.2015 | | |
|---|--------------------------------|----------------------------------|------------------|--------------------------------|----------------------------------|------------------|
| | Secured, considered good | Unsecured, considered good | Total | Secured, considered good | Unsecured, considered good | Total |
| Loans and Advances to employees | 65.79 | 879.27 | 945.06 | 63.11 | 529.10 | 592.21 |
| Balance with Government Departments and Others | - | 4,500.35 | 4,500.35 | - | 5,932.17 | 5,932.17 |
| Security Deposit | 2.20 | 744.10 | 746.30 | 11.01 | 791.10 | 802.11 |
| Prepaid Expenses | - | 617.05 | 617.05 | - | 829.54 | 829.54 |
| Advance to Suppliers | | | | | | |
| - to Others | - | 15,015.52 | 15,015.52 | - | 15,985.57 | 15,985.57 |
| - to Related Parties | - | - | - | - | 25.00 | 25.00 |
| Export Incentive Receivable | - | 2,457.59 | 2,457.59 | - | 2,607.30 | 2,607.30 |
| Gratuity Fund (refer note 26.1) | - | 287.84 | 287.84 | - | 332.21 | 332.21 |
| Other advances | - | 536.57 | 536.57 | - | 322.39 | 322.39 |
| Total | 67.99 | 25,038.29 | 25,106.28 | 74.12 | 27,354.38 | 27,428.50 |

Note 20 : OTHER CURRENT ASSETS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Interest accrued but not due on Deposits | 764.06 | 1,083.02 |
| Preoperative Expenses | 11.37 | 15.38 |
| Others | 56.15 | 58.11 |
| Total | 831.58 | 1,156.51 |

Note 21 : CONTINGENT LIABILITIES & COMMITMENTS

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| I Contingent Liabilities: | | |
| a) Claims against the Group not acknowledged as debts (including sales tax under dispute) | 1,850.68 | 1,604.75 |
| b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations | 33,808.44 | 30,716.71 |
| II Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | 2,622.45 | 1,565.00 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 22 : REVENUE FROM OPERATIONS

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Sale of Products | | |
| Sale of Engineering Goods (refer note 22.1) | 3,83,496.46 | 3,18,212.51 |
| Sale of Sugar and by Products (refer note 22.1) | 41,712.27 | 39,713.45 |
| Erection, Commissioning and other receipts | 29,577.76 | 27,413.85 |
| Other operating revenues (refer note 22.2) | 8,767.53 | 17,482.94 |
| Total | 4,63,554.02 | 4,02,822.75 |
| Less: Excise Duty | 11,975.67 | 7,440.10 |
| Net | 4,51,578.35 | 3,95,382.65 |

Note 22.1 : Sale of Products (Net of Excise Duty)

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Sale of Engineering Goods | | |
| Mechanical & Hydraulic Presses | 19,491.12 | 14,557.63 |
| Boiler Drums, Boiler Parts & Piping | 25,141.61 | 22,565.73 |
| Pressure Vessels, Columns, Reactors, Heat Exchangers | 58,737.97 | 57,732.67 |
| Ingots | 131.48 | 246.71 |
| Steel Castings | 14,713.56 | 12,124.12 |
| Boiler, Sugar & Power Plants | 2,55,351.49 | 2,05,109.15 |
| Total | 3,73,567.23 | 3,12,336.01 |
| Sale of Sugar and by Products | | |
| Sugar | 35,816.89 | 33,695.80 |
| Molasses | 2,390.47 | 3,152.91 |
| Sale of By Products | 1,458.47 | 1,301.14 |
| Total | 39,665.83 | 38,149.85 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 22.2 : Other Operating Revenues

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-----------------------------------|--------------------------|--------------------------|
| Commission Earned | 126.53 | 217.81 |
| Export Incentive | 4,625.47 | 4,937.04 |
| Packing Receipts | 15.84 | 10.95 |
| Unclaimed Balances Written off | 35.47 | 64.59 |
| Excess Provision Written Back | 784.11 | 649.05 |
| Bad Debt written off now realised | 2.72 | - |
| Scrap and Waste Sale | 1,285.54 | 1,493.34 |
| Foreign Exchange Fluctuations | 1,357.97 | 9,823.94 |
| Others | 533.88 | 286.22 |
| Total | 8,767.53 | 17,482.94 |

Note 23 : OTHER INCOME

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Interest Income | | |
| - On Bank Deposits | 2,814.52 | 2,549.08 |
| - Reimbursement of interest on SEFASU Loan | 408.89 | 255.46 |
| - Reimbursement of interest on Soft Loan | 37.44 | - |
| - Other Interest Income | 407.33 | 319.43 |
| Dividend Income on Investments | | |
| Long Term - Non Trade | | |
| - Other Companies | 0.15 | 9.34 |
| Current - Non Trade | | |
| - Mutual Funds | - | - |
| Net gain on sale of Current Investments | 1,877.63 | 1,132.90 |
| Profit on sale of Fixed Assets | 28.96 | 118.33 |
| Insurance Claim Receipts | 87.70 | 188.14 |
| Profit from Farm Operations (refer note No 23.1) | (3.81) | (6.45) |
| Other Non-operating Income | 247.24 | 171.27 |
| Total | 5,906.05 | 4,737.50 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 23.1 : Profit from Farm Operations

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------------|--------------------------|--------------------------|
| Income: | | |
| Sale of Farm Produce | 5.74 | 10.55 |
| Miscellaneous Income | - | 0.29 |
| Total | 5.74 | 10.84 |
| Expenditure: | | |
| Salaries, Wages and Bonus | 6.07 | 6.11 |
| Cultivation Expenses | 2.79 | 3.27 |
| Miscellaneous Expenses | 0.31 | 0.27 |
| Repairs and Maintenance: | | |
| - Machinery and Tractors | 0.47 | 0.65 |
| - Building | - | 0.41 |
| Depreciation | 0.05 | 0.07 |
| | 9.69 | 10.78 |
| (Increase)/Decrease in Stock | (0.14) | 6.51 |
| Total | 9.55 | 17.29 |
| Profit | (3.81) | (6.45) |

Note 24 : COST OF MATERIALS, COMPONENTS, STORES AND SPARES CONSUMED

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|----------------------------------|--------------------------|--------------------------|
| Raw Materials & Components | 99,461.15 | 99,640.03 |
| Consumption of Stores and Spares | 4,763.01 | 5,384.35 |
| Total | 1,04,224.16 | 1,05,024.38 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---------------------------------|--------------------------|--------------------------|
| Opening stock | | |
| Finished Goods | 31,887.62 | 26,282.17 |
| Work - in - Progress | 34,042.25 | 34,876.36 |
| Trading Goods | - | - |
| Total | 65,929.87 | 61,158.53 |
| Closing stock | | |
| Finished Goods | 44,020.01 | 31,887.62 |
| Work - in - Progress | 30,308.35 | 34,042.25 |
| Trading Goods | - | - |
| Total | 74,328.36 | 65,929.87 |
| Net (Increase)/ Decrease | (8,398.49) | (4,771.34) |

Note 26 : EMPLOYEES BENEFITS EXPENSE

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Salaries and wages | 27,668.01 | 24,947.40 |
| Contribution to Provident and other Funds (refer note 26.1 (a) & (b)) | 2,369.32 | 2,046.87 |
| Staff Welfare Expenses | 792.05 | 813.65 |
| Total | 30,829.38 | 27,807.92 |

Note 26.1 : Details of Employee Benefits Expenses

The disclosure of employee benefits as defined in Accounting Standard - 15 is given below:-

a) Defined Contribution Plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plan:

(₹ in lacs)

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---------------------------|-----------------|-----------------|---------------|-----------------|-----------------|
| Provident Fund | 1,419.27 | 1,246.24 | 627.43 | 1,079.60 | 998.17 |
| Employees State Insurance | 9.36 | 12.50 | 7.15 | 48.51 | 87.62 |
| Superannuation fund | 49.93 | 38.31 | 13.51 | 62.08 | - |
| National Pension Scheme | 45.01 | - | - | - | - |
| Total | 1,523.57 | 1,297.05 | 648.09 | 1,190.19 | 1,085.79 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

b) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(₹ in lacs)

| Description | Gratuity (Funded) | | | | | Leave Encashment (Non-funded) | | | | |
|--|-------------------|----------|----------|----------|----------|-------------------------------|------------|------------|------------|------------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| i. Change in Present value of Obligation | | | | | | | | | | |
| a. Present Value of Obligation at the beginning of the year | 5,391.94 | 4,830.10 | 4,548.74 | 4,108.64 | 3,704.28 | 1,660.05 | 1,433.75 | 1,396.48 | 1,265.63 | 1,058.42 |
| b. Interest cost | 428.48 | 392.23 | 182.70 | 330.01 | 309.08 | 132.51 | 115.58 | 55.41 | 98.00 | 82.94 |
| c. Current service cost | 518.01 | 393.12 | 176.14 | 318.79 | 279.76 | 394.44 | 287.10 | 128.14 | 243.52 | 229.47 |
| d. Benefits paid | (411.82) | (516.73) | (198.42) | (456.34) | (288.10) | (428.43) | (380.53) | (236.88) | (257.88) | (250.80) |
| e. Actuarial (gain) / loss | 514.36 | 293.22 | 120.94 | 247.64 | 12.84 | 443.63 | 204.15 | 90.59 | 47.21 | 85.59 |
| f. Present Value of Obligation at the end of the year | 6,440.97 | 5,391.94 | 4,830.10 | 4,548.74 | 4,017.86 | 2,202.20 | 1,660.05 | 1,433.74 | 1,396.48 | 1,205.63 |
| ii. Change in the Fair Value of Plan Assets | | | | | | | | | | |
| a. Fair Value of Plan Assets at the beginning of the year | 5,710.02 | 5,025.91 | 4,268.30 | 4,005.31 | 3,674.38 | N.A. | N.A. | N.A. | N.A. | N.A. |
| b. Expected Return on Plan Assets | 478.95 | 451.35 | 185.79 | 372.72 | 347.07 | -- | -- | -- | -- | -- |
| c. Contributions | 934.35 | 764.00 | 733.02 | 346.01 | 263.52 | -- | -- | -- | -- | -- |
| d. Benefits paid | (411.82) | (516.73) | (198.41) | (454.49) | (288.10) | -- | -- | -- | -- | -- |
| e. Actuarial Gain / (Loss) on Plan Assets | (21.74) | (14.51) | 37.23 | (1.25) | (7.95) | -- | -- | -- | -- | -- |
| f. Fair Value of Plan Assets at the end | 6,689.76 | 5,710.02 | 5,025.93 | 4,268.30 | 3,988.92 | -- | -- | -- | -- | -- |
| iii. Reconciliation of Fair Value of Assets and Obligations | | | | | | | | | | |
| a. Fair Value of Plan Assets at the end of the year | 6,689.76 | 5,710.02 | 5,025.93 | 4,268.30 | 3,988.92 | -- | -- | -- | -- | -- |
| b. Present Value of Obligation at the end of the year | 6,440.97 | 5,391.94 | 4,830.10 | 4,548.74 | 4,017.86 | 2,202.20 | 1,660.05 | 1,433.74 | 1,396.48 | 1,205.63 |
| c. Amount recognised in the Balance Sheet | 248.79 | 318.08 | 195.83 | (280.44) | (28.94) | (2,202.20) | (1,660.05) | (1,433.74) | (1,396.48) | (1,205.63) |
| - Current | 248.79 | 318.08 | 195.83 | - | - | (198.89) | (162.66) | (148.02) | (137.61) | (136.58) |
| - Non Current | - | - | - | (280.44) | (28.94) | (2,003.31) | (1,497.40) | (1,285.72) | (1,258.87) | (1,069.05) |
| iv. Expenses recognised in the statement of Profit & Loss | | | | | | | | | | |
| a. Current Service Cost | 518.01 | 393.12 | 176.14 | 318.79 | 279.76 | 394.44 | 287.10 | 128.14 | 243.52 | 229.47 |
| b. Interest Cost | 428.48 | 392.23 | 182.70 | 330.01 | 309.08 | 132.51 | 115.58 | 55.41 | 98.00 | 82.94 |
| c. Expected Return on Plan Assets | (478.95) | (451.35) | (185.79) | (372.72) | (347.07) | - | - | - | - | - |
| d. Actuarial (Gain) / Loss | 536.10 | 307.73 | 83.71 | 248.89 | 20.79 | 443.63 | 204.15 | 90.59 | 47.21 | 85.59 |
| e. Expenses recognised in the Profit & Loss | 1,003.64 | 641.73 | 256.76 | 524.97 | 262.56 | 970.58 | 606.83 | 274.14 | 388.73 | 398.01 |
| v. Actuarial Assumptions | | | | | | | | | | |
| a. Discount Rate (per annum) | 7.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| b. Estimated Rate of return on Plan Assets(per annum) | 8.50% | 9.00% | 9.00% | 9.25% | 9.25% | - | - | - | - | - |
| c. Rate of Escalation in Salary (per annum) | 7.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% |

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

(₹ in lacs)

| Particulars | Gratuity (Funded) | | | | | Leave Encashment (Non-funded) | | | | |
|---|-------------------|----------|----------|----------|----------|-------------------------------|------------|------------|------------|------------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Defined Benefit Obligation | 6,440.97 | 5,391.94 | 4,830.10 | 4,548.74 | 4,017.86 | 2,202.20 | 1,660.05 | 1,433.74 | 1,396.48 | 1,205.63 |
| Plan Assets | 6,689.76 | 5,710.02 | 5,025.93 | 4,268.30 | 3,988.92 | - | - | - | - | - |
| Surplus / (Deficit) | 248.79 | 318.08 | 195.83 | (280.44) | (28.94) | (2,202.20) | (1,660.05) | (1,433.74) | (1,396.48) | (1,205.63) |
| Experience adjustment on Plan Liabilities | 100.13 | (293.22) | (120.94) | (247.64) | (12.84) | (124.45) | (204.15) | (90.59) | (47.21) | (85.59) |
| Experience adjustment on Plan Assets | (56.36) | (9.83) | (29.25) | 1.09 | - | -- | -- | -- | -- | -- |

Note 26.2 : Figures for 2013-14 are for the period of six months only.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 27 : FINANCE COSTS

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------|--------------------------|--------------------------|
| Interest on Borrowings | | |
| Banks | 4,118.14 | 2,072.29 |
| Others | 488.06 | 612.41 |
| Other Borrowing Cost | 201.63 | 787.75 |
| Total | 4,807.83 | 3,472.45 |

Note 28 : OTHER EXPENSES

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Power & Fuel | 3,604.28 | 3,586.93 |
| Other Manufacturing Expenses | 14,834.78 | 13,339.18 |
| Repairs to: | | |
| -Machinery | 1,090.97 | 784.04 |
| -Building | 741.72 | 716.82 |
| -Others | 97.54 | 117.22 |
| Rent (refer note 36) | 752.38 | 653.16 |
| Insurance | 678.24 | 515.30 |
| Rates and Taxes | 148.69 | 68.89 |
| Commission to Selling Agents and Others | 2,844.53 | 8,004.81 |
| Bank Charges | 1,851.35 | 1,593.46 |
| Royalty | 1,496.86 | 701.52 |
| Electricity and Water Charges | 387.07 | 340.44 |
| Donation | 3.32 | 4.78 |
| Office and Miscellaneous Expenses | 7,402.19 | 6,217.49 |
| Payment to Statutory Auditors | | |
| -Statutory audit fees | 18.48 | 14.42 |
| -For Company Law Matters | 0.74 | - |
| -For Reimbursement of expenses | 1.79 | 1.31 |
| Packing, Forwarding and Transportation Expenses | 19,446.85 | 20,090.02 |
| Design & Technical Expenses | 5,166.36 | 3,129.32 |
| Travelling Expenses | 5,551.22 | 5,296.26 |
| Managerial Remuneration | 2,978.76 | 2,443.20 |
| Directors' Commission/Fee | 8.53 | 5.82 |
| Rebate and Discount | 309.65 | 135.77 |
| CSR Expenses | 257.60 | 172.76 |
| Loss on export incentive | 189.56 | - |
| Bad debts written off | 343.50 | 15.22 |
| Loss on Assets Sold/Written Off | 35.95 | 71.40 |
| Loss/Provision on Sales/Disposal/Diminution/in Value of Investments/Stores | 43.61 | 6.11 |
| Total | 70,286.52 | 68,025.65 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

Note 29 : CURRENT TAX

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------|--------------------------|--------------------------|
| Provision for Tax | 9,988.27 | 8,419.39 |
| Mat Credit Entitlement | (338.38) | (295.00) |
| Net Provision for Tax | 9,649.89 | 8,124.39 |

Note 30 : EARNING PER SHARE

In accordance with Accounting Standard (AS-20) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| a) Net Profit / (Loss) available to Equity Shareholders (₹ in lacs) | 16,921.58 | 11,779.54 |
| b) Number of Weighted Equity Shares outstanding during the year for the purpose of calculation of Earning Per Share | 73,52,951 | 73,52,951 |
| c) Nominal value of Equity Share (In ₹) | 10.00 | 10.00 |
| d) Basic & Diluted Earning per Share (In ₹) | 230.13 | 160.20 |

Note 31 : SEGMENT REPORTING

A. Information about Primary segments

(₹ in lacs)

| | Sugar | Engineering | Unallocated | Eliminations | Total |
|---|------------------|--------------------|-------------|--------------|--------------------|
| Revenue | | | | | |
| External | 39,818.63 | 4,11,759.72 | - | - | 4,51,578.35 |
| | (38,530.26) | (3,56,852.39) | (-) | (-) | (3,95,382.65) |
| Inter-segment | - | 13.21 | - | -13.21 | - |
| | (-) | (892.84) | (-) | (-892.84) | (-) |
| Total revenue | 39,818.63 | 4,11,772.93 | - | -13.21 | 4,51,578.35 |
| | (38,530.26) | (3,57,745.23) | (-) | (-892.84) | (3,95,382.65) |
| Results | | | | | |
| Segment result | -405.99 | 26,074.98 | - | - | 25,668.99 |
| | (-3,934.50) | (21,109.92) | (-) | (-) | (17,175.42) |
| Unallocated expenditure net of unallocated income | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Interest Expense | | | | | |
| a) External | -1,912.44 | -2,693.76 | - | - | -4,606.20 |
| | (-917.43) | (-1,767.27) | (-) | (-) | (-2,684.70) |
| b) Inter Segment | -6.19 | - | - | 6.19 | - |
| | (-181.06) | (-) | (-) | (181.06) | (-) |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

| | | | | | |
|--|------------------|--------------------|-----|---------------|--------------------|
| <u>Profit on Sale of Investments</u> | | | | | |
| a) External | 332.92 | 1,544.71 | - | - | 1,877.63 |
| | (169.27) | (963.63) | (-) | (-) | (1,132.90) |
| <u>Dividend Income</u> | | | | | |
| a) External | - | 0.15 | - | - | 0.15 |
| | (9.28) | (0.06) | (-) | (-) | (9.34) |
| <u>Interest income</u> | | | | | |
| a) External | 454.96 | 3,213.22 | - | - | 3,668.18 |
| | (334.21) | (2,789.76) | (-) | (-) | (3,123.97) |
| b) Inter Segment | - | 6.19 | - | -6.19 | - |
| | (-) | (181.06) | (-) | (-181.06) | (-) |
| Profit / Loss(-) before taxation and Minority Interest | -1,536.74 | 28,145.49 | - | - | 26,608.75 |
| | (-4,520.23) | (23,277.17) | (-) | (-) | (18,756.93) |
| Provision for Deferred tax | -475.31 | -68.32 | - | - | -543.63 |
| | (-1,408.79) | (-291.60) | (-) | (-) | (-1,700.39) |
| Provision for Income tax | - | 9,665.69 | - | - | 9,665.69 |
| | (-) | (8,124.39) | (-) | (-) | (8,124.39) |
| Profit / Loss(-) after taxation and before Minority Interest | -1,061.43 | 18,548.12 | - | - | 17,486.69 |
| | (-3,111.44) | (15,444.38) | (-) | (-) | (12,332.93) |
| <u>Other Information</u> | | | | | |
| Segment assets | 57,642.74 | 352,642.56 | - | -23.67 | 4,10,261.63 |
| | (46,848.40) | (3,02,343.21) | (-) | (-147.11) | (3,49,044.49) |
| Segment liabilities | 44,095.24 | 2,61,200.75 | - | -23.67 | 3,05,272.32 |
| | (32,239.49) | (2,278,26.55) | (-) | (-147.11) | (2,59,918.92) |
| Capital expenditure-External | 23.04 | 13,443.26 | - | - | 13,466.30 |
| | (1,261.48) | (7,159.80) | (-) | (-) | (8,421.28) |
| Inter-segment | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Depreciation | 660.83 | 6,908.08 | - | - | 7,568.91 |
| | (768.37) | (7,482.98) | (-) | (-) | (8,251.35) |

Note :- Previous year figures are indicated in parenthesis.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

B. Information about Secondary Business Segments

(₹ in lacs)

| | India | Outside India | Total |
|-----------------------------------|---------------|---------------|---------------|
| Revenue by geographical market | | | |
| External | 3,08,759.13 | 1,48,725.27 | 4,57,484.40 |
| | (2,26,242.00) | (1,73,878.15) | (4,00,120.15) |
| Total | 3,08,759.13 | 1,48,725.27 | 4,57,484.40 |
| | (2,26,242.00) | (1,73,878.15) | (4,00,120.15) |
| Carrying amount of segment assets | 4,10,084.00 | 177.63 | 4,10,261.63 |
| | (3,49,010.09) | (34.40) | (3,49,044.49) |
| Addition to fixed assets | 13,466.30 | - | 13,466.30 |
| | (8421.28) | (-) | (8421.28) |

Note :- Previous period figures are indicated in parenthesis.

C. Notes:

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems. Based on this the primary and secondary segments are identified below:

(a) Primary Segment:

- (i) The Group is organized into two main business segments, namely:
 - Sugar which consists of manufacture and sale of Sugar and its byproducts and ,
 - Engineering which comprises of production and sales of Heavy Engineering Equipments, Mechanical and Hydraulic Presses, Castings and execution of Projects for setting up of Boilers, Sugar Plants, Power Plants and related equipment and Air Pollution Control Equipments.
- (ii) Segment Revenue in each of the above domestic business segments primarily includes sales and other income in the respective segments.

(b) Secondary Segment:

- (i) The Segment Revenue in the geographical segments considered for disclosure is as follows:
 - (a) Revenue within India includes sales to customers located within India and earnings in India
 - (b) Revenue outside India includes sales to customers located outside India and earnings outside India.

(c) Segment Accounting Policies:

- (i) The segment results have been prepared using the same accounting policies as per the Financial Statements of the Group .
- (ii) Unallocated assets include deferred tax, investments and interest bearing deposits.
- (iii) Unallocated liabilities include non-interest bearing liabilities and tax provisions.
- (iv) Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(d) Segment Assets and Liabilities:

While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment Liabilities include all operating liabilities and include creditors, accrued liabilities and interest bearing liabilities.

(e) Inter Segment Transfers:

Segment revenues and segment results include transfers of revenue expenses between business segments. Such transfers are accounted for at competitive market prices charged from unaffiliated customers/ vendors. These transfer are eliminated on consolidation.

Note 32 : The Consolidated financial statements (CFS) have been prepared in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements” . The CFS comprises the financial statements of Isgec Heavy Engineering Limited and its subsidiaries.

Note 33 : a) The list of Subsidiaries included in the Consolidated Financial Statements is as under:

| Name of the Subsidiary Company | Proportion of Ownership as at March 31, 2016 | Country of Incorporation |
|---|--|--------------------------|
| Isgec Covema Limited | 100.00% | India |
| Saraswati Sugar Mills Limited | 100.00% | India |
| Isgec Exports Limited | 100.00% | India |
| Isgec Engineering & Projects Limited | 100.00% | India |
| Free Look Software Private Limited | 100.00% | India |
| Isgec Hitachi Zosen Limited (See Note e) | 51.00% | India |
| Isgec Foster Wheeler Boilers Private Limited(See Note f) | 51.00% | India |
| Isgec Titan Metal Fabricators Private Limited (See Note g) | 51.00% | India |

b) The reporting dates for all the above companies are 31st March 2016.

c) The financial Statements of parent company, its subsidiaries and joint venture have been consolidated on line by line basis by adding together book value of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances and the unrealized profit/losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company’s independent financial statements

d) The accounting policies for holding company, its subsidiary companies and joint venture are substantially uniform. However, in case of contract sales in the subsidiary Isgec Covema Ltd., revenue is recognised on completed contract method on substantial completion of contracts, the impact of which on Consolidated Financial Statements is negligible as it forms a very small proportion of Group revenues.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

- e) Isgec Hitachi Zosen Limited (IHZL) is a joint venture as per the definition of Accounting Standard (AS) 27 between the Company and Hitachi Zosen Corporation, Japan. However as the Company holds 51% equity in the equity share capital of IHZL, IHZL is classified and consolidated as a Subsidiary in view of Para 6 of Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Venture,
- f) Isgec Foster Wheeler Boilers Private Limited (IFWBPL) is a joint venture as per the definition of Accounting Standard (AS) 27 between the Company and Amec Foster Wheeler North America Corporation, USA . However as the Company holds 51% equity in the equity share capital of IFWBPL, IFWBPL is classified and consolidated as a Subsidiary in view of Para 6 of Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Venture.
- g) Isgec Titan Metal Fabricators Private Limited (ITMFPL) is a joint venture as per the definition of Accounting Standard (AS) 27 between the Company and Titan Metal Fabricators Inc, USA . However as the Company holds 51% equity in the equity share capital of ITMFPL, ITMFPL is classified and consolidated as a Subsidiary in view of Para 6 of Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Venture.

- Note 34 :**
- a) The case challenging the Levy Sugar Price Fixation for the season 1980-81 to 1999-2000 was decided in favour of the Company. The Company requested the Central Government to refix the levy sugar prices as directed by the Court. The Central Government has since amended the Essential Commodities Act nullifying the Court Judgement. The Company has challenged the amendment as malafide in the Hon'ble Delhi High Court. Similar challenge has been made in the Hon'ble Supreme Court by another sugar Company . The hearing of the case before the Hon'ble Supreme court is yet to take place. The case filed by us has also been transferred to Hon'ble Supreme Court.
 - b) The Group and other parties challenged the levy of Local Area Development Tax under The Haryana Local Area Development Tax Act, 2000 and the Haryana Entry of Goods Into The Local Areas Act, 2008 in the Hon'ble High Court of Punjab & Haryana. The Hon'ble High Court decided the matter in company's favour, hence no liability was accounted for. Subsequently the Hon'ble Supreme Court passed an interim order, on the appeal of the State Government, and directed all the assesseees to file the returns under the Local Area Development Tax Act. The company has since been filing the returns.
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Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 35 : RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

I Description and Name of Related Parties

| Description of Relationship | Name |
|---|--|
| Holding Company | None |
| Entities over which Directors and their relatives can exercise significant influence | Yamuna Syndicate Limited Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises |
| Key Management Personnel | Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Wholetime Director) |
| Relatives of Key Management Personnel | Mr. Ranjit Puri (Chairman), (Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Wholetime Director) Mrs. Tanupriya Puri (wife of Mr. Aditya Puri, Managing Director) Mr. Ranjit Puri (HUF) |

II Related Party Transactions

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| a) Purchase of goods | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 393.32 | 404.01 |
| —Key management personnel | | |
| Mr. Aditya Puri (Managing Director) | 2.54 | 3.17 |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (Chairman) | 2.59 | 2.61 |
| Total | 398.45 | 409.79 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| b) Purchase of fixed Assets | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 3.00 | 2.91 |
| Total | 3.00 | 2.91 |
| c) Rendering of services | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 31.49 | 29.39 |
| Total | 31.49 | 29.39 |
| d) Services received | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 0.67 | 20.56 |
| Total | 0.67 | 20.56 |
| e) Commission Paid | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | - | 2.44 |
| —Key management personnel | - | - |
| —Relatives of Key management personnel | - | - |
| Total | - | 2.44 |
| f) Rent received | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 0.39 | 0.39 |
| Total | 0.39 | 0.39 |
| g) Rent Paid | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Blue Water Enterprises | 70.05 | 60.09 |
| Total | 70.05 | 60.09 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| h) Remuneration to Directors | | |
| —Key management personnel | | |
| Mr. Aditya Puri (Managing Director) | 1,489.38 | 1,221.60 |
| Mrs. Nina Puri (Wholetime Director) | 1,489.38 | 1,221.60 |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (Chairman) | 1.37 | 0.82 |
| Total | 2,980.13 | 2,444.02 |
| i) Interest paid | | |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (HUF) | - | 0.06 |
| Total | - | 0.06 |
| j) Amount payable as at year end | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | 104.49 | 52.00 |
| —Key management personnel | | |
| Mr. Aditya Puri (Managing Director) | 1,432.90 | 1,168.83 |
| Mrs. Nina Puri (Wholetime Director) | 1,461.65 | 1,194.02 |
| —Relatives of Key management personnel | | |
| Mr. Ranjit Puri (Chairman) | 0.43 | 0.23 |
| Mr. Ranjit Puri (HUF) | - | - |
| Total | 2,999.47 | 2,415.08 |
| k) Amount receivable as at year end | | |
| —Entities over which key management personnel can exercise significant influence | | |
| Yamuna Syndicate Limited | - | 25.00 |
| Blue Water Enterprises | 10.11 | 10.11 |
| Total | 10.11 | 35.11 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 36 : LEASE RENT CHARGES

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Accounting Standard (AS-19) on 'Leases' the lease rent charged to statement of Profit & Loss for the period are:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-------------------------|--------------------------|--------------------------|
| a) Residential premises | 262.21 | 228.19 |
| b) Commercial premises | 485.20 | 420.15 |
| c) Plant and machinery | 4.97 | 4.82 |
| Total | 752.38 | 653.16 |

Note 37 : VALUE OF IMPORTS ON C.I.F. BASIS:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--------------------------|--------------------------|--------------------------|
| Raw Materials | 14,596.99 | 10,704.72 |
| Components & Spare Parts | 3,593.41 | 2,622.63 |
| Goods for resale | 9,479.30 | 5,917.61 |
| Capital Goods | 939.62 | 636.24 |
| Total | 28,609.32 | 19,881.20 |

Note 38 : EARNINGS IN FOREIGN EXCHANGE:

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Export of Goods & Services on F.O.B basis | 1,17,215.43 | 1,38,673.07 |

Note 39 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------------|--------------------------|--------------------------|
| Travelling Expenses | 1,800.42 | 1,352.36 |
| Royalty | 1,226.15 | 550.46 |
| Brokerage & Commission | 2,276.26 | 7,757.18 |
| Interest on ECB Loan | 204.08 | 351.45 |
| Technical Know how | - | - |
| Others | 14,570.64 | 10,698.33 |
| Total | 20,077.55 | 20,709.78 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 40 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lacs)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-----------------------------------|--------------------------|--------------------------|
| a) Salary | 63.12 | 2.61 |
| b) Contribution to Provident Fund | 12.84 | 0.16 |
| c) Others | 3.20 | - |
| Total | 79.16 | 2.77 |

Note 41 : FOREIGN CURRENCY EXPOSURES :

The Company had entered into swaps/forward contracts which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(₹ in lacs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| a) The particulars of forward contracts entered into hedging purpose outstanding as at year end are as under: | | |
| i) For receivables | 41,797.51 | 29,747.26 |
| ii) For loans | 3,038.38 | 6,870.40 |
| iii) For Supplier Payments | 1,284.74 | 579.86 |
| b) Unhedged foreign currency exposures as at year end are as under: | | |
| i) Receivables | 2,803.19 | 6,911.54 |
| ii) Payables to Suppliers | 217.29 | 240.12 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 42 : Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
The disclosure under first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 .

Part " A " : Subsidiaries

| Description | 2015-16 | | | | | | 2014-15 | | | | | | | |
|----------------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------------|-------------------------------------|------------------------------|---|--|----------------------------|----------------------------|--------------------------------|---------------------------------------|-------------------------------------|------------------------------|
| | Isgec Covema Limited. | Isgec Exports Limited. | Saraswati Sugar Mills Limited. | Isgec Engineering & Projects Limited. | Free Look Software Private Limited. | Isgec Hitachi Zosen Limited. | Isgec Foster Wheeler Boilers Private Limited* | Isgec Titan Metal Fabricators Private Limited* | Isgec Covema Limited. | Isgec Exports Limited. | Saraswati Sugar Mills Limited. | Isgec Engineering & Projects Limited. | Free Look Software Private Limited. | Isgec Hitachi Zosen Limited. |
| 1 | Year Ended 31st March 2016 | Year Ended 31st March 2016 | Year Ended 31st March 2016 | Year Ended 31st March 2016 | Year Ended 31st March 2016 | Year Ended 31st March 2016 | Period Ended 31st March 2016 | Period Ended 31st March 2016 | Year Ended 31st March 2015 | Year Ended 31st March 2015 | Year Ended 31st March 2015 | Year Ended 31st March 2015 | Year Ended 31st March 2015 | Year Ended 31st March 2015 |
| 2 | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees |
| 3 Reporting Currency | 200.00 | 10.00 | 709.99 | 400.00 | 2.47 | 10,000.00 | 200.00 | 100.00 | 200.00 | 10.00 | 709.99 | 360.00 | 2.18 | 10,000.00 |
| 4 Share Capital | 65.25 | 96.27 | 12,837.51 | (3.52) | 774.86 | 637.53 | 4.71 | (1.80) | 71.03 | 92.39 | 13,898.92 | 0.36 | 620.21 | (512.85) |
| 5 Reserves & surplus | 304.74 | 106.55 | 57,642.74 | 399.70 | 778.10 | 27,146.85 | 209.98 | 98.77 | 278.20 | 102.67 | 46,848.40 | 362.52 | 622.61 | 29,592.30 |
| 6 Total Assets | 39.49 | 0.29 | 44,095.24 | 3.22 | 0.78 | 16,509.32 | 5.26 | 0.58 | 7.17 | 0.29 | 32,239.49 | 2.16 | 0.23 | 20,105.16 |
| 7 Total Liabilities | 250.38 | 6.06 | 40,746.71 | 5.52 | 2.08 | 28,028.23 | 13.87 | 0.97 | 6.02 | 5.40 | 39,151.02 | 0.34 | - | 33,346.02 |
| 8 Investments | (8.37) | 5.62 | (1,536.74) | (3.80) | 1.80 | 1,633.55 | 6.82 | (2.61) | (10.48) | 4.76 | (4,520.24) | (0.03) | (0.30) | 1,451.29 |
| 9 Turnover ** | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 Profit/(Loss) before Taxation | - | 1.74 | - | 1.07 | 0.56 | - | 3.22 | - | - | 1.49 | - | - | - | - |
| 11 Provision for Taxation | (2.59) | - | (475.31) | (0.99) | - | 467.37 | (1.11) | (0.81) | (3.24) | - | (1,408.79) | - | - | 321.93 |
| a. Current Tax | (5.78) | 3.88 | (1,061.43) | (3.88) | 1.24 | 1,150.38 | 4.71 | (1.80) | (7.24) | 3.27 | (3,111.45) | (0.03) | (0.30) | 1,129.37 |
| b. Deferred Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c. Taxes for earlier year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 Profit/(Loss) after Taxation | 100% | 100% | 100% | 100% | 100% | 51% | 51% | 51% | 100% | 100% | 100% | 100% | 100% | 100% |
| 13 Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 % of shareholding | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

* This is the first balance sheet of the company where figures reported are from the date of incorporation to 31st March 2016. Hence, no comparative figures are given .

** Includes Other Income

Notes :1. Names of subsidiaries which are yet to commence operations : Nil

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

Part " B " : Associates and Joint Ventures-Isgec Hitachi Zosen Ltd., Isgec Foster Wheeler Boilers Private Limited and Isgec Titan Metal Fabricators Private Limited are also Joint venture company .

As per our report of even date.

for S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.000756N

Sanjay Kumar

Deputy General Manager(Accounts)

J.K. Chowdhery

Senior Vice President Internal Audit

Kishore Chatnani

Chief Financial Officer

For and on behalf of the Board of Directors

S.K. Khorana

Executive Director & Company Secretary

M.No.1872

Aditya Puri

Managing Director

DIN: 00052534

Vinod Kumar Sachdeva

Director

DIN: 00454458

CA.A.K.K. Tulshan

Partner

M.No.085033

Place : Noida

Dated : 26th May, 2016

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 43 : Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013:

(₹ in lacs)

| Name of the Entity | Net assets (Total assets minus Total liabilities) | | Share in profit or loss | |
|---|---|--------------------|-------------------------------------|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| Isgec Heavy Engineering Limited | 75.20% | 78,956.02 | 83.30% | 14,566.57 |
| Subsidiaries | | | | |
| Indian | | | | |
| Isgec Covema Limited | 0.25% | 265.25 | -0.03% | (5.78) |
| Isgec Exports Limited | 0.10% | 106.27 | -0.01% | (2.18) |
| Isgec Engineering & Projects Ltd. | 0.38% | 396.48 | -0.04% | (7.48) |
| Saraswati Sugar Mills Limited | 12.90% | 13,547.52 | -6.04% | (1,055.37) |
| Freelook Software Private Limited | 0.74% | 777.33 | 0.01% | 1.24 |
| Isgec Hitachi Zosen Ltd. | 5.17% | 5,425.14 | 19.58% | 3,423.10 |
| Isgec Foster Wheeler Boilers Private Ltd. | 0.10% | 104.40 | 0.01% | 2.40 |
| Isgec Titan Metal Fabricators Private Ltd. | 0.05% | 50.08 | -0.01% | (0.92) |
| Minority Interests in all subsidiaries | 5.11% | 5,360.82 | 3.23% | 565.11 |
| Total | 100% | 1,04,989.31 | 100% | 17,486.69 |

Note 44 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

(₹ in lacs)

| Sl. No. | Particulars | Description | | | |
|---------|---|--|--------------------------|--|--------------------------|
| a) | Products covered for Cost Audit | Ingots and Manufactured items of Engineering Machinery | | Sugar | |
| b) | Full Particulars of Cost Auditor | M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana | | M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana | |
| c) | Filing of Cost Audit Report | Year ended 31.03.2016 | Year ended 31.03.2015 | Year ended 31.03.2016 | Year ended 31.03.2015 |
| | i) Due Date of Filing of Cost Audit Report | 27.09.2016 | 30.09.2015 | 27.09.2016 | 30.09.2015 |
| | ii) Actual Date of Filing Cost Audit Report | Not yet Due | 29.09.2015 | Not yet Due | 23.09.2015 |

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Note 45 : There is no other information required to be disclosed apart from the information already disclosed, pursuant to the requirements of Schedule III to the Companies Act,2013.

Note 46: Previous year figures have been regrouped/ recast wherever considered necessary to conform to current year classification.

Note- 47 : OVERVIEW

Isgec Heavy Engineering Limited (the “Company”) is engaged primarily in two businesses, Heavy Engineering and in Sugar through its subsidiary. The manufacturing plants of the Company and its subsidiaries are located in India.

The Company is a Public limited Company and its shares are listed on Bombay Stock Exchange (BSE).

Note- 48 : SIGNIFICANT ACCOUNTING POLICIES

(i) Principles of consolidation

The consolidated financial statements relate to Isgec Heavy Engineering Limited, its subsidiary companies and joint venture. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company, its subsidiary companies and joint venture are combined on a line-by-line basis by adding together the book value of like items of assets, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 –“Consolidated Financial Statements” .
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest’s share of consolidated net profit for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company.
- e) Minority Interest’s share of consolidated net assets for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Holding Company’s shareholders.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements. .

(ii) Basis of Consolidation

The Consolidated Financial Statements include accounts of Isgec Heavy Engineering Limited, its Subsidiary Companies and Joint Venture (The Group). Subsidiary undertakings are those companies in which Isgec

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

Heavy Engineering Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(iii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are made on the basis of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

(iv) Tangible Assets

- a) Tangible assets are stated at their cost less accumulated depreciation & accumulated impairment, if any.
- b) The cost of an asset comprises its purchase price and any directly attributable cost for bringing the asset to working condition for its intended use & is net of recoverable duties/tax credits.
- c) Capital spares directly attributable to the assets are capitalised with the related assets.

(v) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard – 26 'Intangible Assets'. Costs incurred on acquisition of specialised software & technical know how are capitalised.

Intangible assets are stated at cost of acquisition less accumulated amortisation & accumulated impairment losses, if any.

(vi) Depreciation and Amortization

Depreciation is provided on fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013 as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per the straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

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 basis as per Accounting Standard – 26 "Intangible Assets".

(vii) Impairment of Assets

- a) As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine
 - i) the provision for impairment loss, if any, required or
 - ii) the reversal, if any, required of impairment loss recognised in previous periods.
- b) Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount which is determined
 - i) in the case of an individual asset, at the higher of the net selling price and the value in use.
 - ii) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

- c) Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life.

(viii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

(ix) Inventories

Inventories are valued at lower of cost or net realizable value except in case of finished stock of molasses, which is valued at average net realisable value. Cost being calculated on weighted average basis and includes cost of purchase and incidental expenses. 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.

Work-in-Progress and Finished Goods are valued at lower of cost or net realisable value.

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

Cost in case of finished goods and work-in-progress includes material cost and applicable direct manufacturing and administrative overheads. Cost in case of finished stock of sugar and work-in-progress includes raw material cost and proportionate production overheads. Value of finished stock is inclusive of excise duty.

Erection Work-in-progress is calculated at cost or net realisable value whichever is lower.

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

(x) Cash and Cash Equivalents

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value within original maturity of three months or less from date of purchase to be cash equivalent.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits with banks, excluding investment in mutual funds.

(xi) Revenue Recognition

Revenue is recognised in case of traded & manufactured products on despatch of goods from the factory / other locations when substantial risks & rewards of ownership are transferred to the buyer. Revenue in case of erection & commissioning jobs carried out is recognised on stage of completion as per the terms of related agreements / job orders.

Sales are net of intra-group transfers except where such elimination is not practicable.

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.

Interest income is recognised on a time proportion basis taking into account the amounts outstanding and the rate applicable.

Dividend from investments in shares is recognised when the right to receive payment is established.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

(xii) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d) Forward Contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS)-11 "The Effects of Changes in Foreign Exchange Rates". Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of rollover/cancellation of such forward contracts are recognised as income/expense of the period in which such rollover/cancellation takes place.

(xiii) Employee Benefits

As per Accounting Standard (AS) -15 "Employee Benefits" the provision for employee benefits is charged on accrual basis as under:

a) Provident Fund:

The Group operates a Provident Fund Trust for its employees where contributions are deposited on the basis of services rendered by the employees and are expensed as and when incurred.

b) Gratuity:

The Company operates Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policy with the Life Insurance Corporation of India for all the employees. Provision for liability on account of gratuity being defined benefit plan, is determined as per actuarial valuation and charged to statement of Profit & Loss.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

c) Leave Encashment:

Provision for leave encashment is made in respect of eligible employees as per actuarial valuation done at the balance sheet date.

d) Pension:

Liability on account of pension payable to employees covered under Company's pension scheme has been accounted for on accrual basis.

e) Superannuation

The Company operates Superannuation fund scheme with Life Insurance Corporation of India where contributions are deposited on the basis of services rendered by employees who have opted for the scheme. These contributions are expensed on accrual basis.

(xiv) Borrowing Costs

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

(xv) Leases

Payments made under Leases for land, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease. Payments made under cancellable operating leases for other assets are charged to statement of profit & loss as per respective lease agreements.

Rental income is recognized on accrual basis over the lease term.

(xvi) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Taxation

Tax Expense/(Tax Saving) is the aggregate of current year tax and deferred tax charged (or credited) to the statement of Profit and Loss for the year in accordance with Accounting Standard- 22- "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March ,2016

a) Current Year Charge

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

b) Deferred Tax

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate to the extent the timing difference are expected to be crystallised. Deferred tax assets on account of unabsorbed losses & unabsorbed depreciation are recognised to the extent there is virtual certainty of realising such assets against future taxable income.

(xviii) Provisions, Contingent Liabilities & Contingent Assets

a) Provisions

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the Company has a present obligation as a result of a past event,
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of the obligation can be reliably estimated.

b) Contingent Liabilities

Contingent Liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a possible obligation, unless the probability of outflow of resources is remote.

c) Contingent Assets: Contingent Assets are neither recognised, nor disclosed.

d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA.K.K. Tulshan
Partner
M.No.085033

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : 26th May, 2016

Vinod Kumar Sachdeva
Director
DIN: 00454458

A FEW CSR ACTIVITIES



The 100 year old Govt. Sr. Secondary Girls School in Jagadhri, India was completely renovated and provided with writing boards, durries (cotton carpets) for seating, water coolers with water purifiers, toilets and other facilities.



Writing boards, durries, and water coolers with water purifiers have also been provided across 122 Government Schools in the Districts of Yamunanagar & Kurukshetra in India.



A Van was donated to the Nai Disha Educational & Cultural Society, an NGO in the Delhi NCR area, working in the field of community development through education targeting out of school children.



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