



Ho-425-S

Dated: 13.11.2018

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

Dear Sir/Madam,

**Furnishing of Information as per
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Scrip Code : 533033, Scrip Id: ISGEC**

**Sub: Unaudited Standalone Financial Results for the quarter and six months ended
September 30, 2018**

1. In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose Unaudited Standalone Financial Results of the Company for the quarter and six months ended September 30, 2018, (including Statement of Assets and Liabilities as at that date). These results were approved by the Board of Directors in its meeting held on today i.e. November 13, 2018 at 11:00 a.m..
2. These results were subjected to a Limited Review by the Statutory Auditors of the Company. A copy of the Limited Review Report given by the Statutory Auditors which was placed before the Board of Directors in its meeting held on today is also enclosed.

The meeting of the Board of Directors was concluded at 01:15 p.m..

The above is for your information and records please.

Thanking you,

Yours faithfully,
For Isgtec Heavy Engineering Limited

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

Encl: (i) Unaudited Standalone Financial Results for the quarter
and six months ended on September 30, 2018.

(ii) Limited Review Auditors Report.

ISGEC HEAVY ENGINEERING LIMITED

REGD. OFFICE : YAMUNANAGAR - 135 001 (HARYANA) CIN: L23423HR1933PLC000097

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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2018**

A Statement of Financial Result

All figures in Rs. Lakhs except earning per share

Sl. No.	Particulars (Refer Notes Below)	Quarter ended			Six Months ended		Year ended
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
I	Revenue from Operations	1,00,571	71,419	63,925	1,71,990	1,13,369	2,61,537
II	Other Income	1,206	728	3,742	1,934	5,534	7,234
III	Total Income (I+II)	1,01,777	72,147	67,667	1,73,924	1,18,903	2,68,771
IV	Expenses :						
	(a) Cost of materials consumed	15,130	14,891	12,640	30,021	24,705	53,499
	(b) Purchase of stock-in-trade	46,357	18,656	22,625	65,013	33,627	72,763
	(c) Erection & commissioning expenses	11,383	5,685	6,578	17,068	19,177	32,412
	(d) Change in inventories of finished goods, work-in-progress and stock-in-trade (Increase)/decrease	(2,527)	2,984	(2,263)	457	(11,201)	(2,680)
	(e) Employee benefits expense	6,868	6,919	6,561	13,787	13,218	27,781
	(f) Finance costs	328	118	170	446	367	712
	(g) Depreciation and amortisation expense	1,594	1,547	1,606	3,141	3,195	6,715
	(h) Other expenses	18,205	16,629	13,486	34,834	27,031	60,776
	Total expenses (IV)	97,338	67,429	61,403	1,64,767	1,10,119	2,51,978
V	Profit/(Loss) before exceptional items and tax (III-IV)	4,439	4,718	6,264	9,157	8,784	16,793
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V+VI)	4,439	4,718	6,264	9,157	8,784	16,793
VIII	Tax expense:						
	a) Current Tax	1,955	1,750	1,777	3,705	2,742	5,577
	b) Deferred Tax	(396)	(127)	(113)	(523)	(250)	(682)
IX	Profit/(Loss) for the period (VII-VIII)	2,880	3,095	4,600	5,975	6,292	11,898
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	16	16	(13)	32	(27)	177
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(6)	(6)	4	(12)	9	(62)
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
XI	Total Comprehensive Income for the period (IX+X)	2,890	3,105	4,591	5,995	6,274	12,013
XII	Paid up equity share capital (Face Value of the equity share Rs.10/- each)	735	735	735	735	735	735
XIII	Other equity excluding revaluation reserve						1,21,549
XIV	Earning Per Share (of Rs. 10 /- each) (not annualised)						
	(a) Basic (in Rs.)	39.17	42.09	62.56	81.26	85.57	161.81
	(b) Diluted (in Rs.)	39.17	42.09	62.56	81.26	85.57	161.81

B. Statement of Assets and Liabilities

(Rs. In Lakhs)

		As at 30.09.2018	As at 31.03.2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment		43,041	41,047
(b) Capital work - in - progress		1,945	2,928
(c) Other intangible assets		4,331	4,501
(d) Financial assets			
(i) Investments		16,729	14,281
(ii) Trade receivables		6,026	3,549
(iii) Loans		388	402
(iv) Others		879	866
(e) Deferred tax assets		704	192
(f) Other non - current assets		261	908
	Sub Total - Non Current Assets	74,304	68,674
(2) Current Assets			
(a) Inventories		51,508	46,610
(b) Financial assets			
(i) Investments		35,929	36,601
(ii) Trade receivables		1,43,594	1,10,773
(iii) Cash and cash equivalents		3,462	16,586
(iv) Other Bank Balances		6,376	4,114
(v) Loans		915	921
(vi) Others		5,473	2,344
(c) Current tax assets (net)		-	-
(d) Other current assets		69,162	46,256
	Sub Total - Current Assets	3,16,419	2,64,205
	Total assets	3,90,723	3,32,879
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital		735	735
(b) Other equity		1,27,544	1,21,549
	Sub Total Equity	1,28,279	1,22,284
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities		138	134
(b) Provisions		4,847	4,793
(c) Deferred tax liabilities (net)		-	-
(d) Other non - current liabilities		40,978	25,344
	Sub Total - Non Current Liabilities	45,963	30,271
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings		5,300	8,227
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		39	20
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,12,148	1,02,505
(iii) Other financial liabilities		8,064	6,417
(b) Other Current liabilities		76,149	49,098
(c) Provisions		13,774	13,307
(d) Current tax liabilities (net)		1,007	750
	Sub Total - Current Liabilities	2,16,481	1,80,324
	Total Equity & Liabilities	3,90,723	3,32,879

C Segment Information

Effective 1st April, 2018, Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

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

The composition of the Segments, to enable the aforesaid objective consists of:

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

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

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

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

Statement of segment-wise Revenue, Results, Total assets and Total Liabilities are as under:

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter ended			Six Months ended		Year ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Segment Revenue						
	a) Manufacturing of Machinery & Equipment	26,372	32,990	25,916	59,362	43,180	1,06,742
	b) Engineering, Procurement and Construction	80,735	43,959	41,815	1,24,694	77,329	1,72,048
	c) Unallocated	0	5	0	5	0	24
	Total	1,07,107	76,954	67,731	1,84,061	1,20,509	2,78,814
	Less: Inter segment Revenue	6,536	5,535	3,806	12,071	7,140	17,277
	Net Sales/Income from Operations	1,00,571	71,419	63,925	1,71,990	1,13,369	2,61,537
II	Segment Results (Profit(+)/Loss(-) before tax and interest from each segment						
	a) Manufacturing of Machinery & Equipment	2,870	3,987	4,556	6,857	6,090	12,937
	b) Engineering, Procurement and Construction	2,851	1,731	732	4,582	2,730	6,277
	c) Unallocated	125	150	2,741	275	3,614	3,970
	Total	5,846	5,868	8,029	11,714	12,434	23,184
	Less: i) Interest	328	59	170	387	327	571
	ii) Inter segment Interest	1,079	1,091	1,595	2,170	3,323	5,820
	Total Profit before tax	4,439	4,718	6,264	9,157	8,784	16,793
	Inter Segment result have been arrived at after considering inter segment interest income.						
		As at 30.09.2018 (Unaudited)	As at 30.06.2018 (Unaudited)	As at 30.09.2017 (Unaudited)	As at 31.03.2018 (Audited)		
III	Segment Assets						
	a) Manufacturing of Machinery & Equipment	1,09,002	1,03,567	1,02,369	1,07,156		
	b) Engineering, Procurement and Construction	2,74,703	2,52,687	2,23,794	2,24,837		
	c) Unallocated Corporate assets	67,928	78,961	80,913	77,004		
	Total	4,51,633	4,35,215	4,07,076	4,08,997		
	Less: Inter segment assets	60,910	70,770	80,974	76,118		
	Total assets	3,90,723	3,64,445	3,26,102	3,32,879		
IV	Segment Liabilities						
	a) Manufacturing of Machinery & Equipment	89,919	86,157	88,754	89,656		
	b) Engineering, Procurement and Construction	2,20,556	1,98,977	1,70,325	1,70,146		
	c) Unallocated Corporate Liabilities	12,879	24,691	30,275	26,911		
	Total	3,23,354	3,09,825	2,89,354	2,86,713		
	Less: Inter segment Liabilities	60,910	70,770	80,974	76,118		
	Total Liabilities	2,62,444	2,39,055	2,08,380	2,10,595		

Notes:

1. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended thereafter.
2. In accordance with the requirement of Ind AS, revenue from operations upto 30th September, 2018 is net of Goods and Service Tax (GST). However, revenue from operations for the period upto 30th June, 2017 is inclusive of excise duty. Accordingly revenue from operations for the six months ended 30th September, 2018 is not comparable with the corresponding previous period.
3. The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective from April 1, 2018. The adoption of Ind-AS 115 by the Company effective 1st April 2018 has no significant impact on the financial results.
4. The Company has stated as under in audited Results Published for quarter and year ended 31st March, 2018:

"(a) The company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. There was manifestation of latent conditions leading to cost overrun and delay in completion of the project within the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. The customer, on 30th January 2018, however, invoked the Bank Guarantees amounting to about Rs.134 crores and wrongly terminated the contract, and also claimed damages.

(b) The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.

(c) The legal advice is that the Company has good prospect of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts."

SIAC has constituted the Arbitral Tribunal. The Arbitration is likely to take about 12-15 months for completion. There is no other change till date.
5. Figures for the previous period have been regrouped / reclassified to conform to the figures for the current period.
6. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 13th November, 2018 and have been subjected to Limited Review by the Statutory Auditors.

FOR ISGEC HEAVY ENGINEERING LIMITED



(ADITYA PURI)
MANAGING DIRECTOR



Date : 13th November, 2018
Place: Noida

Independent Auditor's Limited Review Report

**To the Board of Directors,
Isgec Heavy Engineering Limited**

Introduction

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ("the Statement") of **Isgec Heavy Engineering Limited** ("the Company") for the quarter and half year ended 30th September, 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/ 62/2016 dated 05th July, 2016.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Standalone Unaudited Financial Results, prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Offices

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Emphasis of Matter

We draw attention to Note 4 to the accompanying Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30th September 2018 which describes the nature and expected outcome with respect to the ongoing litigation regarding the Bio-refinery project in Philippines. Our opinion is not modified in respect of this matter.

For SCV & Co. LLP
Chartered Accountants



Firm Registration No. 00235N/N500089

Abhinav Khosla

(Abhinav Khosla)

Partner

Membership No. 087010

Place: Noida

Dated: 13th November, 2018