



Uploaded on BSE Limited  
Website: <http://listing.bseindia.com>

Ho-425-S

Dated: 14.11.2019

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: Outcome of the Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements), 2015**

1. In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2019, (including Statement of Assets and Liabilities as at that date and Cash Flow for the half year ended 30.09.2019). These results were approved by the Board of Directors in its meeting held on today i.e. Thursday, November 14, 2019 at 10:30 a.m.
2. These results were subjected to a Limited Review by the Statutory Auditors of the Company. A copy of the Limited Review Reports given by the Statutory Auditors which were placed before the Board of Directors in its meeting held on today is also enclosed.
3. Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors approved appointment of Mr. Puneet Gupta, Chartered Accountant (Membership no. 510979) as the Internal Auditor of the Company to conduct the Internal Audit of the Company.

Disclosure as required under SEBI's circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 is as under:-

<b>Mr. Puneet Gupta, Chartered Accountant</b>	
Reason for change	Resignation of Previous Auditor
Date of Appointment & term of appointment	November 14, 2019 & As decided by the Board
Brief Profile	<p>Mr. Puneet Gupta has 11 years of professional experience. He has worked with M/s. S. S. Kothari Mehta &amp; Co., M/s. American Express India Private Limited and M/s. RSM Astute Consulting Private Limited in Internal &amp; Process Audit.</p> <p><b>Qualification:</b> Member of Institute of Chartered Accountants of India.</p>

The meeting of the Board of Directors concluded at 02:15 p.m.

The above is for your information and records please.

Thanking you,

Yours faithfully,  
For Isgec Heavy Engineering Limited



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



Encl: As above

**ISGEC HEAVY ENGINEERING LIMITED**

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

Tel: +91-120-4085405, Fax: +91-0120-2412250, Email: cfo@isgec.com, Website: www.isgec.com

**STATEMENT OF STANDALONE FINANCIAL RESULTS**

**FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2019**

**A. Statement of Financial Results**

(₹ in lakhs except earning per share)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	1,25,354	1,00,723	1,00,571	2,26,077	1,71,990	4,12,892
II	Other Income	791	404	1,206	1,195	1,934	3,690
III	<b>Total Income (I+II)</b>	<b>1,26,145</b>	<b>1,01,127</b>	<b>1,01,777</b>	<b>2,27,272</b>	<b>1,73,924</b>	<b>4,16,582</b>
IV	<b>Expenses :</b>						
	(a) Cost of materials consumed	18,580	16,561	15,130	35,141	30,021	71,770
	(b) Purchase of stock-in-trade	48,808	45,260	46,357	94,068	65,013	1,80,261
	(c) Erection & commissioning expenses	21,275	14,581	11,383	35,856	17,068	45,285
	(d) Change in inventories of finished goods and work-in-progress (increase)/decrease	820	(6,986)	(2,527)	(6,166)	457	(10,997)
	(e) Employee benefits expense	7,647	7,720	6,868	15,367	13,787	29,277
	(f) Finance costs	229	295	328	524	446	1,531
	(g) Depreciation and amortisation expense	1,830	1,778	1,594	3,608	3,141	6,593
	(h) Other expenses	21,133	16,845	18,205	37,978	34,834	72,554
	<b>Total expenses (IV)</b>	<b>1,20,322</b>	<b>96,054</b>	<b>97,338</b>	<b>2,16,376</b>	<b>1,64,767</b>	<b>3,96,274</b>
V	<b>Profit before tax (III-IV)</b>	<b>5,823</b>	<b>5,073</b>	<b>4,439</b>	<b>10,896</b>	<b>9,157</b>	<b>20,308</b>
VI	Tax expense						
	a) Current Tax	1,276	1,826	1,955	3,102	3,705	7,931
	b) Deferred Tax	(38)	(35)	(396)	(73)	(523)	(455)
VII	<b>Profit for the period (V-VI)</b>	<b>4,585</b>	<b>3,282</b>	<b>2,880</b>	<b>7,867</b>	<b>5,975</b>	<b>12,832</b>
VIII	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	36	4	16	40	32	28
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6	(1)	(6)	5	(12)	(10)
IX	<b>Total Comprehensive Income (VII+VIII)</b>	<b>4,627</b>	<b>3,285</b>	<b>2,890</b>	<b>7,912</b>	<b>5,995</b>	<b>12,850</b>
X	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735	735	735
XI	Reserve excluding Revaluation Reserves						1,33,982
XII	<b>Earning Per Equity Share (of ₹ 1/- each) (not annualised)</b>						
	(a) Basic (in ₹)	6.24	4.46	3.92	10.70	8.13	17.45
	(b) Diluted (in ₹)	6.24	4.46	3.92	10.70	8.13	17.45



**B. Statement of Assets and Liabilities**

(₹ in lakhs)

Particulars	As at	
	30.09.2019	31.03.2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	46,104	46,916
(b) Right-of-use asset	1,369	-
(c) Capital work - in - progress	1,839	1,123
(d) Intangible assets	3,295	3,832
(e) Financial assets		
(i) Investments	16,930	16,924
(ii) Trade receivables	9,279	4,332
(iii) Loans	1,865	1,106
(iv) Other financial assets	1,476	1,423
(f) Deferred tax assets (net)	716	638
(g) Other non - current assets	561	413
<b>Sub Total - Non Current Assets</b>	<b>83,434</b>	<b>76,707</b>
<b>(2) Current assets</b>		
(a) Inventories	67,645	61,113
(b) Financial assets		
(i) Investments	13,868	15,546
(ii) Trade receivables	1,70,510	1,80,381
(iii) Cash and cash equivalents	3,435	7,597
(iv) Bank balances other than (iii) above	1,001	1,609
(v) Loans	2,029	1,953
(vi) Other financial assets	606	1,795
(c) Other current assets	90,226	79,454
<b>Sub Total - Current Assets</b>	<b>3,49,320</b>	<b>3,49,448</b>
<b>Total Assets</b>	<b>4,32,754</b>	<b>4,26,155</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	735	735
(b) Other equity	1,40,664	1,33,982
<b>Total Equity</b>	<b>1,41,399</b>	<b>1,34,717</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	71	-
(ii) Lease liabilities	1,139	-
(iii) Other financial liabilities	120	149
(b) Provisions	6,146	6,051
(c) Other non - current liabilities	18,869	25,446
<b>Sub Total - Non Current Liabilities</b>	<b>26,345</b>	<b>31,646</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	13,914	7,471
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small Enterprises	1,268	984
- Total outstanding dues of creditors other than micro enterprises and small Enterprises	1,18,503	1,28,017
(iii) Lease liabilities	237	-
(iv) Other financial liabilities	5,369	7,522
(b) Other Current liabilities	1,14,912	1,05,553
(c) Provisions	10,397	9,638
(d) Current tax liabilities (net)	410	607
<b>Sub Total - Current Liabilities</b>	<b>2,65,010</b>	<b>2,59,792</b>
<b>Total Equity &amp; Liabilities</b>	<b>4,32,754</b>	<b>4,26,155</b>



### C. Cash Flow Statement

(₹ in lakhs)

Particulars	Six months ended	Six months ended
	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)
<b>A Cash flow from operating activities</b>		
Profit before tax	10,896	9,157
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	3,608	3,141
(Gain) / Loss on disposal of property, plant and equipment	-	302
Liability no longer required written back	(478)	(896)
Adjustment of expected credit loss	35	-
Interest Income	(335)	(410)
Finance/Interest costs	524	446
Income From investments - Dividends	(483)	(129)
(Gain) / Loss on sale of financial instrument (investment)	(1,172)	(1,397)
Change in fair value of financial instruments (investment)	908	98
Adjustment due to discounting in warranty provision	(28)	(31)
<b>Operating profit before working capital adjustments</b>	<b>13,475</b>	<b>10,281</b>
<b>Working capital adjustments</b>		
(Increase) /Decrease in trade receivables	4,888	(35,298)
(Increase) /Decrease in other receivables	(9,989)	(27,531)
(Increase) /Decrease in inventories	(6,531)	(4,897)
Increase /(Decrease) in trade and other payables	(8,173)	54,933
Increase /(Decrease) in payables and provisions	922	584
<b>Cash generated from operations</b>	<b>(5,408)</b>	<b>(1,928)</b>
Income Tax paid (net of refund)	(3,299)	(3,448)
<b>Net cash flow from / (used in) operating activities</b>	<b>(8,707)</b>	<b>(5,376)</b>
<b>B Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	36	5
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(2,861)	(4,292)
Sale /(Purchase) of equity shares / mutual funds	1,937	(476)
Interest income received	312	299
Dividend received	483	129
<b>Net cash flow from / (used in) investing activities</b>	<b>(93)</b>	<b>(4,335)</b>
<b>C Cash flow from financing activities</b>		
Dividend paid on equity shares	(1,109)	(43)
Dividend Tax paid	(128)	-
Payment of lease liabilities	(199)	-
Finance/Interest cost	(441)	(443)
Proceeds/(repayment) from borrowings	6,515	(2,927)
<b>Net cash flow from / (used in) financing activities</b>	<b>4,638</b>	<b>(3,413)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(4,162)</b>	<b>(13,124)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,597</b>	<b>16,586</b>
Cash and cash equivalents at the end of the period	3,435	3,462
<b>Components of cash and cash equivalents</b>		
Cash & Cheques on hand	44	756
Balance with Scheduled Banks	3,391	2,706
Cash and cash equivalents	3,435	3,462



## D. Segment Reporting

### Segment Information

The Company reports segment information as per Ind AS 108 "Operating Segments" read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the Management. The management has identified following segments:

- Manufacturing of Machinery and Equipment Segment
- Engineering, Procurement and Construction Segment

The composition of Segments is :

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

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

Sales and margins do not accrue uniformly during the year, in respect of both these segments.

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	<b>Segment Revenue</b>						
	a) Manufacturing of Machinery & Equipment	35,213	23,753	26,372	58,966	59,362	1,20,262
	b) Engineering, Procurement and Construction	95,388	83,151	80,735	1,78,539	1,24,694	3,22,143
	c) Unallocated	0	5	0	5	5	17
	Total	1,30,601	1,06,909	1,07,107	2,37,510	1,84,061	4,42,422
	Less: Inter Segment Revenue	5,247	6,186	6,536	11,433	12,071	29,530
	Net Sales/Income from Operations	1,25,354	1,00,723	1,00,571	2,26,077	1,71,990	4,12,892
II	<b>Segment Results (Profit+)/Loss(-) before tax and interest from each segment)</b>						
	a) Manufacturing of Machinery & Equipment	3,027	3,244	2,870	6,271	6,857	13,170
	b) Engineering, Procurement and Construction	3,454	2,743	2,851	6,197	4,582	11,660
	c) Unallocated	60	(268)	125	(208)	275	747
	Total	6,541	5,719	5,846	12,260	11,714	25,577
	Less: i) Interest expense	176	257	328	433	387	1,403
	ii) Inter Segment Interest	542	389	1,079	931	2,170	3,866
	Total Profit before tax	5,823	5,073	4,439	10,896	9,157	20,308
	Inter Segment result have been arrived at after considering inter segment interest income.						
				As at	As at	As at	As at
				30.09.2019	30.06.2019	31.03.2019	30.09.2018
				(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
III	<b>Segment Assets</b>						
	a) Manufacturing of Machinery & Equipment			1,28,762	1,27,778	1,22,163	1,09,002
	b) Engineering, Procurement and Construction			2,92,702	2,84,001	2,95,355	2,74,703
	c) Unallocated Corporate Assets			78,442	73,017	67,082	67,928
	Total			4,99,906	4,84,796	4,84,600	4,51,633
	Less: Inter Segment Assets			67,152	58,321	58,445	60,910
	Total Assets			4,32,754	4,26,475	4,26,155	3,90,723
IV	<b>Segment Liabilities</b>						
	a) Manufacturing of Machinery & Equipment			1,05,756	1,02,574	99,628	89,919
	b) Engineering, Procurement and Construction			2,36,469	2,32,301	2,39,924	2,20,556
	c) Unallocated Corporate Liabilities			16,282	11,919	10,331	12,879
	Total			3,58,507	3,46,794	3,49,883	3,23,354
	Less: Inter Segment Liabilities			67,152	58,321	58,445	60,910
	Total Liabilities			2,91,355	2,88,473	2,91,438	2,62,444

Notes:



1. The above Standalone results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th November, 2019.
2. 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 as amended thereafter.
3. The Cash Flow Statement for the half year ended September 30, 2018 is approved by the Board of Directors of the Company but has not been subjected to review by the Statutory Auditors.
4. The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the six months ended September 30, 2019 and re-measured its Deferred Tax Assets on the basis of the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of Profit & Loss and Other Comprehensive Income for the quarter and six months ended September 30, 2019.
5. (a) During the previous year, equity shares of ₹ 10/- each were sub-divided into 10 equity shares of ₹ 1/- each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.  
(b) The earnings per share in respect of all the reported periods has been re-stated considering the aforesaid sub-division of shares.
6. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use Asset (ROU) at an amount equal to the lease liability adjusted by the prepaid rent. Accordingly, comparatives for the quarter and six months ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1,300 lakhs and a lease liability of ₹ 1,272 lakhs as on the transition date i.e. April 1, 2019. The effect of this adoption in the statement of profit and loss is increase in depreciation and finance cost of ₹ 75 lakhs and ₹ 29 lakhs respectively for the quarter ended September 30, 2019 and ₹ 150 lakhs and ₹ 56 lakhs respectively for the six months ended September 30, 2019 and decrease in lease rent cost of ₹ 81 lakhs for the quarter ended September 30, 2019 and ₹ 161 lakhs for the six months ended September 30, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
7. (i) The Company in previous filing with the Bombay Stock Exchange and in the published accounts stated as under:-
  - (a) The Company was executing a contract to design, engineer, procure, construct, commission and deliver a Bio-Refinery project for M/s Cavite Biofuels Producers Inc., Philippines, (CBPI).
  - (b) A dispute arose and it was referred to the arbitration under the Singapore International Arbitration Centre (SIAC).
  - (c) The Company was in discussion with CBPI and its promoters to settle the arbitration out of court.(ii) In terms of settlement arrived with CBPI and its promoters, on October 3, 2019, the Company through its Wholly Owned Subsidiary Company, namely Isgec Investments Pte. Ltd., Singapore, has acquired CBPI with its related assets and liabilities including bank loan of USD 35.8 million. The acquisition was done at a token consideration of USD 100.  
(iii) The Company proposes to sell CBPI with all its assets and bank liabilities and hopes to recover the amounts due to it as well as amount taken by CBPI on invocation of Bank Guarantees.
8. The Shareholders in the Annual General Meeting held on August 10, 2019 confirmed the payment of final dividend of ₹ 1230 lakhs (including dividend distribution tax of ₹ 128 lakhs) and it was paid during the quarter and six months ended September 30, 2019.
9. The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

FOR ISGEC HEAVY ENGINEERING LIMITED

Date : 14th November, 2019

Place: Delhi



  
(ADITYA PURI)  
MANAGING DIRECTOR  


**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2019**

**A. Statement of Financial Result**

Sl. No.	Particulars	(₹ in lakhs except earning per share)					
		Quarter ended			Six months ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from operations	1,43,054	1,19,444	1,16,764	2,62,498	2,09,080	5,05,066
II	Other Income	469	950	1,181	1,419	2,015	6,876
III	<b>Total Income (I+II)</b>	<b>1,43,523</b>	<b>1,20,394</b>	<b>1,17,945</b>	<b>2,63,917</b>	<b>2,11,095</b>	<b>5,11,942</b>
IV	<b>Expenses :</b>			(Refer note 2)		(Refer note 2)	
	(a) Cost of materials consumed	28,144	36,735	17,193	64,879	51,971	1,50,317
	(b) Purchase of stock-in-trade	49,197	45,755	46,495	94,952	65,197	1,81,158
	(c) Erection & commissioning expenses	21,315	14,588	11,319	35,903	16,934	44,889
	(d) Change in inventories of finished goods and work-in-progress (Increase)/decrease	3,205	(14,245)	8,201	(11,040)	3,924	(20,379)
	(e) Employee benefits expense	9,891	10,100	8,484	19,991	17,002	37,549
	(f) Finance costs	818	901	527	1,719	1,013	2,555
	(g) Depreciation and amortisation expense	2,351	2,249	1,969	4,600	3,874	8,248
	(h) Other expenses	23,462	19,353	19,906	42,815	39,905	84,911
	<b>Total expenses (IV)</b>	<b>1,38,383</b>	<b>1,15,436</b>	<b>1,14,094</b>	<b>2,53,819</b>	<b>1,99,820</b>	<b>4,89,248</b>
V	<b>Profit/(Loss) before tax (III-IV)</b>	<b>5,140</b>	<b>4,958</b>	<b>3,851</b>	<b>10,098</b>	<b>11,275</b>	<b>22,694</b>
VI	Tax expense						
	a) Current Tax	1,365	2,116	1,818	3,481	4,511	8,713
	b) Deferred Tax	(757)	22	(428)	(735)	(558)	(421)
VII	<b>Profit/(Loss) for the period (V-VI)</b>	<b>4,532</b>	<b>2,820</b>	<b>2,461</b>	<b>7,352</b>	<b>7,322</b>	<b>14,402</b>
VIII	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	37	4	(203)	41	(187)	(208)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6	(1)	(22)	5	(28)	(41)
	B (ii) Items that will be reclassified to profit or loss	(60)	(33)	80	(93)	80	(173)
IX	<b>Total Comprehensive Income (VII+VIII)</b>	<b>4,515</b>	<b>2,790</b>	<b>2,316</b>	<b>7,305</b>	<b>7,187</b>	<b>13,980</b>
	<b>Profit for the year</b>	<b>4,532</b>	<b>2,820</b>	<b>2,461</b>	<b>7,352</b>	<b>7,322</b>	<b>14,402</b>
	<b>Attributable to:</b>						
	Owners of the parent	4,513	2,828	2,628	7,341	7,384	14,277
	Non-controlling interests	19	(8)	(167)	11	(62)	125
	<b>Other comprehensive income for the year</b>	<b>(17)</b>	<b>(30)</b>	<b>(145)</b>	<b>(47)</b>	<b>(135)</b>	<b>(422)</b>
	<b>Attributable to:</b>						
	Owners of the parent	(17)	(30)	(145)	(47)	(135)	(426)
	Non-controlling interests	-	-	-	-	-	4
	<b>Total comprehensive income of the year:</b>	<b>4,515</b>	<b>2,790</b>	<b>2,316</b>	<b>7,305</b>	<b>7,187</b>	<b>13,980</b>
	<b>Attributable to:</b>						
	Owners of the parent	4,496	2,798	2,483	7,294	7,249	13,851
	Non-controlling interests	19	(8)	(167)	11	(62)	129
X	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735	735	735
XI	Reserve excluding Revaluation Reserves						1,50,785
XII	<b>Earning Per Equity Share</b> <b>(of ₹ 1/- each) (not annualised)</b>						
	(a) Basic (in ₹)	6.14	3.85	3.57	9.99	10.04	19.42
	(b) Diluted (in ₹)	6.14	3.85	3.57	9.99	10.04	19.42





**B. Statement of Assets and Liabilities**

(₹ in lakhs)

Particulars	As at	
	30.09.2019	31.03.2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	66,684	67,181
(b) Right-of-use asset	1,512	-
(c) Capital work - in - progress	4,596	1,875
(d) Goodwill	2,138	2,092
(e) Other intangible assets	5,090	5,581
(f) Financial assets		
(i) Investments	3	1
(ii) Trade receivables	9,346	4,398
(iii) Loans	1,261	1,220
(iv) Other Financial asset	1,589	1,549
(g) Deferred tax assets	1,173	681
(h) Other non - current assets	675	613
<b>Sub Total - Non Current Assets</b>	<b>94,067</b>	<b>85,191</b>
<b>(2) Current assets</b>		
(a) Inventories	1,33,857	1,20,873
(b) Financial assets		
(i) Investments	13,868	15,546
(ii) Trade receivables	1,77,233	1,89,274
(iii) Cash and cash equivalents	6,510	10,844
(iv) Bank balances other than (iii) above	1,973	3,194
(v) Loans	2,097	2,002
(vi) Others	1,036	2,689
(c) Current tax assets	956	736
(d) Other current assets	96,006	82,478
<b>Sub Total - Current Assets</b>	<b>4,33,536</b>	<b>4,27,636</b>
<b>Total Assets</b>	<b>5,27,603</b>	<b>5,12,827</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	735	735
(b) Other equity	1,56,748	1,50,785
<b>Equity attributable to the owners of the parent</b>	<b>1,57,483</b>	<b>1,51,520</b>
Non Controlling Interest	7,029	7,165
<b>Total Equity</b>	<b>1,64,512</b>	<b>1,58,685</b>
<b>LIABILITIES</b>		
<b>(1) Non - current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	14,171	5,598
(ii) Lease Liabilities	1,258	-
(iii) Other financial liabilities	144	176
(b) Provisions	7,026	6,926
(c) Deferred tax liabilities	594	768
(d) Other non - current liabilities	18,906	25,483
<b>Sub Total - Non Current Liabilities</b>	<b>42,099</b>	<b>38,951</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	33,214	24,772
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small Enterprises	1,375	1,139
- Total outstanding dues of creditors other than micro enterprises and small Enterprises	1,26,086	1,47,090
(iii) Lease Liabilities	260	-
(iv) Other financial liabilities	9,006	11,225
(b) Other Current liabilities	1,39,535	1,19,861
(c) Provisions	11,106	10,362
(d) Current tax liabilities	410	742
<b>Sub Total - Current Liabilities</b>	<b>3,20,992</b>	<b>3,15,191</b>
<b>Total Equity &amp; Liabilities</b>	<b>5,27,603</b>	<b>5,12,827</b>



C. Cash Flow Statement

	Particulars	Six month ended	Six month ended
		30.09.2019	30.09.2018
		(Unaudited)	(Unaudited)
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	10,098	11,275
	<b>Adjustments for :</b>		
	Depreciation and amortization expenses	4,600	3,874
	(Profit)/Loss on diminution in value of stores and investments	2	-
	(Gain) / Loss on disposal of property, plant and equipment	(1)	302
	(Gain) / loss on sale of financial instruments	(1,172)	(1,455)
	Change in fair value of financial instruments(investment)	908	98
	Income from investments - dividends	-	(1)
	Adjustment of expected credit loss	35	379
	Liability no longer required written back	(1,247)	(1,148)
	Interest income	(270)	(492)
	Finance /Interest costs	1,719	1,013
	Adjustment due to discounting in warranty provision	(28)	(31)
	<b>Operating profit before working capital adjustments</b>	<b>14,644</b>	<b>13,814</b>
	<b>Working capital adjustments</b>		
	(Increase)/decrease in trade receivables	7,058	(37,356)
	(Increase)/decrease in current financial assets	(10,843)	(27,603)
	(Increase)/decrease in inventories	(12,987)	(12,220)
	Increase/(decrease) in financial liabilities	(8,732)	64,988
	Increase/(decrease) in provision /other payables	912	661
	<b>Cash generated from operations</b>	<b>(9,948)</b>	<b>2,284</b>
	Income Tax paid (net of refund)	(3,959)	(3,579)
	<b>Net cash flow from / (used in) operating activities</b>	<b>(13,907)</b>	<b>(1,295)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Proceeds from sale of property, plant and equipment	37	34
	Purchase of property, plant and equipment including capital work-in-progress	(5,953)	(5,299)
	Payment towards acquisition of business, net of cash acquired	-	(4,523)
	Purchase of intangible assets	(82)	(109)
	Sale /(Purchase) of equity shares / mutual funds	1,940	2,334
	Proceeds from sale of financial instruments	(40)	32
	Interest income received	260	380
	Dividend received	-	1
	<b>Net cash flow from / (used in) investing activities</b>	<b>(3,838)</b>	<b>(7,150)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Dividend paid on equity shares	(1,207)	(165)
	Dividend Tax paid	(252)	(51)
	Payments for lease liability	(214)	-
	Finance / Interest cost - long term / short term	(1,619)	(1,464)
	Proceeds/(repayment) from Borrowings	17,015	479
	<b>Net cash flow from / (used in) financing activities</b>	<b>13,723</b>	<b>(1,201)</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(4,022)</b>	<b>(9,646)</b>
	<b>Cash and cash equivalents at the begining of the period</b>	<b>10,844</b>	<b>17,968</b>
	Effect of Foreign currency translation	(312)	7
	<b>Cash and cash equivalents at the end of six month period</b>	<b>6,510</b>	<b>8,329</b>
	<b>Components of cash and cash equivalents</b>		
	Cash & Cheques on hand	51	761
	Balance with Scheduled Banks	5,712	7,519
	Bank term deposits	747	49
	<b>Cash and cash equivalents</b>	<b>6,510</b>	<b>8,329</b>



## D. Segment Reporting

### Segment Information

The Group reports segment information as per Ind AS 108 "Operating Segments" read with SEBI circular dated July 5, 2016. The identification of Operating Segments is consistent with performance assessment and resource allocation by the Management. The management has identified following segments:

- Manufacturing of Machinery and Equipment Segment
- Engineering, Procurement and Construction Segment
- Sugar

The composition of the Segments :

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

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

**Sugar** consists of manufacture and sale of sugar and its by-products.

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

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

(₹ in lakhs)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended	
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
<b>I</b>	<b>Segment Revenue</b>							
	a) Manufacturing of Machinery & Equipment	40,684	29,565	27,198	70,249	68,418	1,55,236	
	b) Engineering, Procurement and Construction	95,847	83,962	80,949	1,79,809	1,25,086	3,23,783	
	c) Sugar	11,783	12,137	15,332	23,920	27,894	55,830	
	d) Unallocated	-	5	-	5	5	17	
	<b>Total</b>	<b>1,48,314</b>	<b>1,25,669</b>	<b>1,23,479</b>	<b>2,73,983</b>	<b>2,21,403</b>	<b>5,34,866</b>	
	Less: Inter segment Revenue	5,260	6,225	6,715	11,485	12,323	29,800	
	<b>Net Sales/Income from Operations</b>	<b>1,43,054</b>	<b>1,19,444</b>	<b>1,16,764</b>	<b>2,62,498</b>	<b>2,09,080</b>	<b>5,05,066</b>	
<b>II</b>	<b>Segment Results</b>							
	<b>Profit (+) / Loss (-) before Tax and Interest from Each segment</b>							
	a) Manufacturing of Machinery & Equipment	2,787	2,442	2,213	5,229	6,916	14,269	
	b) Engineering, Procurement and Construction	3,411	2,834	2,871	6,245	4,618	11,823	
	c) Sugar	631	1,166	221	1,797	2,527	1,997	
	d) Unallocated	(394)	(264)	127	(658)	277	756	
	<b>Total</b>	<b>6,435</b>	<b>6,178</b>	<b>5,432</b>	<b>12,613</b>	<b>14,338</b>	<b>28,845</b>	
	Less: i) Interest expense	749	854	502	1,603	893	2,284	
	ii) Inter segment Interest	546	366	1,079	912	2,170	3,867	
	<b>Total Profit Before Tax</b>	<b>5,140</b>	<b>4,958</b>	<b>3,851</b>	<b>10,098</b>	<b>11,275</b>	<b>22,694</b>	
	Inter Segment result have been arrived at after considering inter segment interest income.							
					As at 30.09.2019 (Unaudited)	As at 30.06.2019 (Unaudited)	As at 31.03.2019 (Audited)	As at 30.09.2018 (Unaudited)
<b>III</b>	<b>Segment Assets</b>							
	a) Manufacturing of Machinery & Equipment			1,86,001	1,80,841	1,68,268	1,51,863	
	b) Engineering, Procurement and Construction			2,95,301	2,86,626	2,97,672	2,75,880	
	c) Sugar			44,970	54,341	53,414	36,384	
	d) Unallocated Corporate assets			68,568	58,070	52,133	58,181	
	<b>Total</b>			<b>5,94,840</b>	<b>5,79,878</b>	<b>5,71,487</b>	<b>5,22,308</b>	
	Less: Inter segment assets			67,237	63,081	58,660	61,199	
	<b>Total Assets</b>			<b>5,27,603</b>	<b>5,16,797</b>	<b>5,12,827</b>	<b>4,61,109</b>	
<b>IV</b>	<b>Segment Liabilities</b>							
	a) Manufacturing of Machinery & Equipment			1,52,717	1,39,531	1,28,503	1,21,669	
	b) Engineering, Procurement and Construction			2,38,261	2,34,695	2,42,014	2,20,998	
	c) Sugar			23,067	32,433	31,953	14,452	
	c) Unallocated Corporate Liabilities			16,283	11,918	10,332	12,880	
	<b>Total</b>			<b>4,30,328</b>	<b>4,18,577</b>	<b>4,12,802</b>	<b>3,69,999</b>	
	Less: Inter segment Liabilities			67,237	63,081	58,660	61,199	
	<b>Total Liabilities</b>			<b>3,63,091</b>	<b>3,55,496</b>	<b>3,54,142</b>	<b>3,08,800</b>	

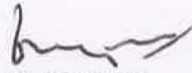



Notes:

1. The above Consolidated results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th November, 2019.
2. The Consolidated results of the Group include the result of the Company and its 13 subsidiaries. The Company together with its subsidiaries is herein referred to as the Group. In the previous year, the Company had opted to publish consolidated financial results on an annual basis. Accordingly, the consolidated financial results for the quarter and six months ended September 30, 2018 are approved by the Board of Directors of the Company but have not been subjected to review by the statutory auditors.
3. 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 as amended thereafter.
4. (a) During the previous year, equity shares, of Parent Company, of ₹ 10/- each were sub-divided into 10 equity shares of ₹ 1/- each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.  
(b) The earnings per share in respect of all the reported periods has been re-stated considering the aforesaid sub-division of shares.
5. Effective April 1, 2019, the group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use Asset (ROU) at an amount equal to the lease liability adjusted by the prepaid rent. Accordingly, comparatives for the quarter and six months ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted. The adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹1452 Lakhs and a lease liability of ₹1420 Lakhs as on the transition date i.e. April 1, 2019. The effect of this adoption in the statement of profit and loss is increase in depreciation and finance cost of ₹77 Lakhs and ₹28 Lakhs respectively for the quarter ended September 30, 2019 and ₹160 Lakhs and ₹60 Lakhs respectively for the 6 months ended September 30, 2019 and decrease in lease rent cost of ₹84 Lakhs for the quarter ended September 30, 2019 and ₹173 Lakhs for the 6 months ended September 30, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
6. (i) The Company in previous filling with the Bombay Stock Exchange and in the published accounts stated as under:-
  - (a) The Company was executing a contract to design, engineer, procure, construct, commission and deliver a Bio-Refinery project for M/s Cavite Biofuels Producers Inc., Philippines, (CBPI).
  - (b) A dispute arose and it was referred to the arbitration under the Singapore International Arbitration Centre (SIAC).
  - (c) The Company was in discussion with CBPI and its promoters to settle the arbitration out of court.
  - (ii) In terms of settlement arrived with CBPI and its promoters, on October 3, 2019, the Company through its Wholly Owned Subsidiary Company, namely Isgec Investments Pte. Ltd., Singapore, has acquired CBPI with its related assets and liabilities including bank loan of USD 35.8 million. The acquisition was done at a token consideration of USD 100.
  - (iii) The Company proposes to sell CBPI with all its assets and bank liability and recover amounts due to it as well as amount taken by CBPI on invocation of Bank Guarantees
7. The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

Date : 14th November, 2019  
Place: New Delhi



  
(ADITYA PURI)  
MANAGING DIRECTOR  


**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to  
The Board of Directors  
**ISGEC Heavy Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **ISGEC Heavy Engineering Limited** ("the Company"), for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to Note No. 3 of the Statement which states that the figures for net cash outflows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these statements have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Other Offices**

505, 5th Floor, Tower B, World Trade Tower  
Sector 16, Noida- 201301  
T: +91-120-4814400

4/18, Asaf Ali Road,  
New Delhi-110002  
T: +91 - 11 - 23274888/77410

B-XIX-220,Rani Jhansi Road, Ghumar Mandi  
Ludhiana -121001  
T: +91 - 161 - 2774527 • F: +91 - 161 - 2771618

5. Emphasis of Matter

We draw attention to Note No. 7 to the Statement which describes the out of court settlement of the litigation and further development regarding Bio refinery project in Philippines. Our conclusion is not modified in respect of this matter.

PLACE : New Delhi  
DATED : 14<sup>th</sup> November, 2019

For SCV & CO. LLP  
Chartered Accountants  
Firm's Registration Number : 000235N/N500089



*Abhinav Khosla*

( Abhinav Khosla )

PARTNER

MEMBERSHIP No. 087010

ICAI UDIN No.

*19087010AAAAAD16209.*

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to

The Board of Directors

**ISGEC Heavy Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **ISGEC Heavy Engineering Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. Attention is drawn to Note No. 2 to the Statement which states that the consolidated figures for the corresponding quarter ended 30 September, 2018 and the corresponding year to date period from April 1, 2018 to September 30, 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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 express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. The Statement includes the results of the following entities:

**Subsidiaries**

- i) Saraswati Sugar Mills Limited
- ii) Isgec Covema Limited
- iii) Isgec Exports Limited
- iv) Isgec Engineering & Projects Limited
- v) Freelook Software Private Limited
- vi) Isgec Hitachi Zosen Limited
- vii) Isgec SFW Boilers Private Limited (Formerly known as ISGEC Foster Wheeler Boilers Private Limited)
- viii) Isgec Redecam Enviro Solutions Private Limited
- ix) Isgec Titan Metal Fabricators Private Limited
- x) Isgec Investments Pte. Ltd.
- xi) Eagle Press & Equipment Co. Limited
- xii) Eagle Press America Inc.
- xiii) 2191375 Ontario Inc.



IS.

**Other Offices**

505, 5th Floor, Tower B, World Trade Tower  
Sector 16, Noida- 201301  
T: +91-120-4814400

4/18, Asaf Ali Road,  
New Delhi-110002  
T: +91 - 11 - 23274888/77410

B-XIX-220, Rani Jhansi Road, Ghumar Mandi  
Ludhiana -121001  
T: +91 - 161 - 2774527 • F: +91 - 161 - 2771618

6. Based on our review conducted and procedures performed as stated in paragraph 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter

We draw attention to Note No. 6 to the Statement which describes the out of court settlement of the litigation and further development regarding Bio refinery project in Philippines. Our conclusion is not modified in respect of this matter.

8. We did not review the interim financial information / financial results of Eleven subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results reflect total assets of Rs.74,322.03 Lakhs as at September 30, 2019 and total revenues of Rs.8,179.13 Lakhs and Rs.16,225.40 Lakhs, total net loss after tax of Rs.156.61 Lakhs and Rs. 1,038.72 Lakhs and total comprehensive loss of Rs.215.84 Lakhs and Rs.1,131.18 Lakhs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs.1,542.98 Lakhs for the period from April 1, 2019 to September 30, 2019, as considered in the consolidated unaudited financial results. These interim financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 4 above.

Our conclusion on the Statement is not modified in respect of the above matter.

9. The consolidated unaudited financial results include the interim financial information / financial results of one subsidiary, whose interim financial information / financial results reflects total assets of Rs.719.78 Lakhs as at September 30, 2019 and total revenues of Rs. Nil and Rs. Nil, total net loss after tax of Rs. 0.01 Lakhs and Rs.0.01 Lakhs and total comprehensive loss of Rs.0.11 Lakhs and Rs.0.11 Lakhs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs.719.78 Lakhs for the period from April 1, 2019 to September 30, 2019, which are certified by the management. According to the information and explanations given to us by the Management, these interim financial information / financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

PLACE : New Delhi  
DATED : 14<sup>th</sup> November, 2019

For SCV & CO. LLP  
Chartered Accountants  
Firm's Registration Number : 000235N/N500089



*Abhinav Khosla*

(Abhinav Khosla)  
PARTNER

MEMBERSHIP No. 087010

ICAI UDIN No. 19087010AAAADJ7686