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Ho-425-S

Dated: 15.02.2018

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**

1. Please refer to Note No. 4, reproduced below, given under the Un-audited Standalone Financial Results for the quarter and nine months ended December 31, 2017, filed yesterday, i.e. 14th February, 2018:
 - 4 a) The Company is executing Off-shore and On-shore contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in Philippines.
 - b) 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 his account under the contract.
 - c) The customer issued directions to progress the project and started paying the additional cost to the sub-contractors directly.
 - d) The project is substantially complete.
 - e) The customer, on 30th January 2018, has invoked Bank Guarantees amounting to Rs. 130 crores, terminated the contract and also claimed damages.
 - f) The Company has filed a petition for stay of the encashment of the Bank Guarantee in the Hon'ble Punjab & Haryana High Court. The Hon'ble High Court has ordered 'Status Quo' till the next hearing fixed for 14th February 2018.
 - g) The Company, in accordance with the contract, has filed application for arbitration under the Singapore International Arbitration Centre and has appointed Lawyers to represent the Company.
 - h) The legal advice is that the termination of the contract and invocation of the Bank Guarantees is contrary to the terms of the contract and also illegal and wrongful and the customer's claims are not tenable.
2. The case was further heard yesterday and has been adjourned for further hearing on 19th February 2018.
3. The above is in compliance with the Listing Regulations.

The above is for your information and records please.

Thanking you,

Yours faithfully,
For Isgrec Heavy Engineering Limited


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