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Ho-425-S

Dated: 09.11.2020

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 held on November 09, 2020

1. This is in continuation of our letter dated November 02, 2020, we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. November 09, 2020 at 11:00 a.m. has inter-alia, considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company, for the quarter and half year ended September 30, 2020, (including Statement of Assets and Liabilities as at September 30, 2020 and Cash Flow Statement for the half year ended September 30, 2020).
2. Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith:-
 - a). Unaudited Standalone Financial Results for the quarter and half year ended on September 30, 2020 (including Statement of Assets and Liabilities as at September 30, 2020 and Cash Flow Statement for the half year ended September 30, 2020) along with Auditors' Report thereon.
 - b). Unaudited Consolidated Financial Results for the quarter and half year ended on September 30, 2020 (including Statement of Assets and Liabilities as at September 30, 2020 and Cash Flow Statement for the half year ended September 30, 2020) along with Auditors' Report thereon.
3. This intimation is also available on the website of the Company at www.isgrec.com
4. The meeting of the Board of Directors was concluded at 02:00 p.m.

The above is for your information and records please.

Thanking you.

Yours faithfully,
For Isgrec Heavy Engineering Limited

(S.K. Khorana)
Executive Director & Company Secretary
Contact Number: 9810188045

Encl: as above

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, 2020 and year to date from April 01, 2020 to September 30, 2020 ("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.
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. 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.
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.

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5. Emphasis of Matter

- a) We draw attention to Note 3 to the Statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations, carrying amounts of property, plant & equipment, intangible assets, investments, recoverability of receivables and other assets and management's evaluation of the future performance of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.

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

ABHINAV KHOSLA

Digitally signed by ABHINAV KHOSLA
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Date: 2020.11.09 13:06:42 +05'30'

PLACE : Noida
DATED : 9th November, 2020

(Abhinav Khosla)
PARTNER
MEMBERSHIP No. 087010
ICAI UDIN No.: 20087010AAAADL4785

ISGEC HEAVY ENGINEERING LIMITED

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

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**STATEMENT OF STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2020**

A. Statement of Financial Results

(₹ in lakhs except earnings per share)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	1,03,960	76,515	1,25,354	1,80,475	2,26,077	4,89,371
II	Other Income	1,128	164	791	1,292	1,195	1,858
III	Total Income (I+II)	1,05,088	76,679	1,26,145	1,81,767	2,27,272	4,91,229
IV	Expenses :						
	(a) Cost of materials consumed	13,793	9,666	18,580	23,459	35,141	63,195
	(b) Purchase of stock-in-trade	50,014	33,676	48,808	83,690	94,068	2,11,490
	(c) Erection & commissioning expenses	14,446	7,754	21,275	22,200	35,856	77,208
	(d) Change in inventories of finished goods and work-in-progress (increase)/decrease	(2,236)	2,684	820	448	(6,166)	4,328
	(e) Employee benefits expense	6,571	7,059	7,647	13,630	15,367	31,331
	(f) Finance costs	533	545	229	1,078	524	1,587
	(g) Depreciation and amortisation expense	1,714	1,759	1,830	3,473	3,608	7,371
	(h) Other expenses	12,416	9,673	21,133	22,089	37,978	73,972
	Total expenses (IV)	97,251	72,816	1,20,322	1,70,067	2,16,376	4,70,482
V	Profit before tax (III-IV)	7,837	3,863	5,823	11,700	10,896	20,747
VI	Tax expense						
	a) Current Tax	1,853	1,180	1,276	3,033	3,102	5,704
	b) Deferred Tax	(31)	(223)	(38)	(254)	(73)	(267)
VII	Profit for the period (V-VI)	6,015	2,906	4,585	8,921	7,867	15,310
VIII	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	84	2	36	86	40	17
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(22)	-	6	(22)	5	10
IX	Total Comprehensive Income (VII+VIII)	6,077	2,908	4,627	8,985	7,912	15,337
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						1,46,316
XII	Earnings Per Equity Share (of ₹ 1 /- each) (not annualised)						
	(a) Basic (in ₹)	8.18	3.95	6.24	12.13	10.70	20.82
	(b) Diluted (in ₹)	8.18	3.95	6.24	12.13	10.70	20.82

B. Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	As at
	30.09.2020	31.03.2020
	(Unaudited)	(Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	43,483	45,207
(b) Right-of-use asset	3,610	3,802
(c) Capital work - in - progress	861	766
(d) Intangible assets	2,250	2,851
(e) Financial assets		
(i) Investments	16,930	16,930
(ii) Loans	3,454	3,081
(iii) Trade receivables	12,021	9,200
(iv) Other financial assets	1,504	1,523
(f) Deferred tax assets (net)	1,148	915
(g) Other non - current assets	218	249
Sub Total - Non Current Assets	85,479	84,524
(2) Current assets		
(a) Inventories	58,647	51,105
(b) Financial assets		
(i) Investments	3,414	8,199
(ii) Trade receivables	1,95,575	1,99,044
(iii) Cash and cash equivalents	7,841	12,736
(iv) Bank balances other than (iii) above	826	820
(v) Loans	2,109	1,895
(vi) Other financial assets	512	1,405
(c) Current tax assets (net)	-	218
(d) Other current assets	84,682	83,382
Sub Total - Current Assets	3,53,606	3,58,804
Total Assets	4,39,085	4,43,328
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	735	735
(b) Other equity	1,55,301	1,46,316
Total Equity	1,56,036	1,47,051
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	81	92
(ii) Lease liabilities	874	1,010
(iii) Other financial liabilities	111	128
(b) Provisions	5,210	6,140
(c) Other non - current liabilities	16,274	17,521
Sub Total - Non Current Liabilities	22,550	24,891
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	13,394	34,004
(ii) Lease liabilities	272	253
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small Enterprises	1,274	1,574
- Total outstanding dues of creditors other than micro enterprises and small Enterprises	1,33,996	1,20,911
(iv) Other financial liabilities	5,841	7,724
(b) Other Current liabilities	92,121	95,468
(c) Provisions	13,378	11,452
(d) Current tax liabilities (net)	223	-
Sub Total - Current Liabilities	2,60,499	2,71,386
Total Equity & Liabilities	4,39,085	4,43,328

C. Cash Flow Statement

(₹ in lakhs)

	Particulars	Six months ended	
		30.09.2020	30.09.2019
		(Unaudited)	(Unaudited)
A	Cash flow from operating activities		
	Profit before tax	11,700	10,896
	Adjustments for :		
	Depreciation and amortisation expenses	3,473	3,608
	(Gain) / Loss on disposal of property, plant and equipment	(61)	-
	Liability no longer required written back	(211)	(478)
	Adjustment of expected credit loss	8	35
	Finance income	(258)	(335)
	Finance costs	1,078	524
	Income From investments - Dividends	(762)	(483)
	(Gain) / Loss on sale of of financial instruments (investment)	(31)	(1,172)
	Change in fair value of financial instruments (investment)	(7)	908
	Adjustment due to discounting in warranty provision	(103)	(28)
	Unrealised (gain) / loss on foreign currency translation	1,271	942
	Operating profit before working capital adjustments	16,097	14,417
	Working capital adjustments		
	(Increase) /Decrease in trade receivables	(777)	3,961
	(Increase) /Decrease in other receivables	(897)	(9,976)
	(Increase) /Decrease in inventories	(7,542)	(6,531)
	Increase /(Decrease) in trade and other payables	6,706	(8,201)
	Increase /(Decrease) in payables and provisions	1,185	922
	Cash generated from operations	14,772	(5,408)
	Income Tax paid (net of refund)	(2,592)	(3,299)
	Net cash flow from / (used in) operating activities	12,180	(8,707)
B	Cash flow from investing activities		
	Proceeds from sale of property, plant and equipment	233	36
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(1,223)	(2,861)
	Sale /(Purchase) of equity shares / mutual funds	4,822	1,937
	Interest received	252	312
	Dividend received	762	483
	Net cash flow from / (used in) investing activities	4,846	(93)
C	Cash flow from financing activities		
	Dividend paid on equity shares	(11)	(1,109)
	Dividend Tax paid	-	(128)
	Payment of lease liabilities	(167)	(199)
	Finance cost	(1,122)	(441)
	Repayment of long term borrowings	(11)	-
	Proceeds/(repayment) from short term borrowings (net)	(20,610)	6,515
	Net cash flow from / (used in) financing activities	(21,921)	4,638
	Net increase in cash and cash equivalents (A+B+C)	(4,895)	(4,162)
	Cash and cash equivalents at the beginning of the period	12,736	7,597
	Cash and cash equivalents at the end of the period	7,841	3,435
	Components of cash and cash equivalents		
	Cash & Cheques on hand	14	44
	Balance with Scheduled Banks	7,827	3,391
	Cash and cash equivalents	7,841	3,435

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
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Segment Revenue						
	a) Manufacturing of Machinery & Equipment	24,849	22,593	35,213	47,442	58,966	1,24,340
	b) Engineering, Procurement and Construction	85,765	59,585	95,388	1,45,350	1,78,539	3,89,739
	c) Unallocated	(9)	62	-	53	5	28
	Total	1,10,605	82,240	1,30,601	1,92,845	2,37,510	5,14,107
	Less: Inter Segment Revenue	6,645	5,725	5,247	12,370	11,433	24,736
	Net Sales/Income from Operations	1,03,960	76,515	1,25,354	1,80,475	2,26,077	4,89,371
II	Segment Results (Profit+)/Loss(-) before tax and interest from each segment)						
	a) Manufacturing of Machinery & Equipment	3,612	1,930	3,027	5,542	6,271	9,039
	b) Engineering, Procurement and Construction	4,547	2,738	3,454	7,285	6,197	15,044
	c) Unallocated	173	(303)	60	(130)	(208)	(796)
	Total	8,332	4,365	6,541	12,697	12,260	23,287
	Less: i) Interest expense	495	502	176	997	433	1,382
	ii) Inter Segment Interest	-	-	542	-	931	1,158
	Total Profit before tax	7,837	3,863	5,823	11,700	10,896	20,747
	Inter Segment result have been arrived at after considering inter segment interest income.						
				As at	As at	As at	As at
				30.09.2020	30.06.2020	30.09.2019	31.03.2020
				(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
III	Segment Assets						
	a) Manufacturing of Machinery & Equipment			1,08,823	1,14,075	1,28,762	1,16,398
	b) Engineering, Procurement and Construction			2,91,362	2,89,237	2,92,702	2,86,095
	c) Unallocated Corporate Assets			87,660	1,02,214	78,442	1,01,826
	Total			4,87,845	5,05,526	4,99,906	5,04,319
	Less: Inter Segment Assets			48,760	56,635	67,152	60,991
	Total Assets			4,39,085	4,48,891	4,32,754	4,43,328
IV	Segment Liabilities						
	a) Manufacturing of Machinery & Equipment			85,187	92,496	1,05,756	94,322
	b) Engineering, Procurement and Construction			2,30,274	2,29,939	2,36,469	2,26,377
	c) Unallocated Corporate Liabilities			16,348	33,132	16,282	36,569
	Total			3,31,809	3,55,567	3,58,507	3,57,268
	Less: Inter Segment Liabilities			48,760	56,635	67,152	60,991
	Total Liabilities			2,83,049	2,98,932	2,91,355	2,96,277

Notes:

- 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 November 9, 2020.
- 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.
- The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the Company's operations and the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Standalone Financial Results, including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the Standalone Financial Results.
- The Code on Social Security 2020, relating to employee benefits during employment and post-employment benefits, has been notified in the Official Gazette on September 29, 2020. The effective date from which the Code will come into effect is yet to be notified and the rules are yet to be framed. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

FOR ISGEC HEAVY ENGINEERING LIMITED

**ADITYA
PURI**

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(ADITYA PURI)

MANAGING DIRECTOR

Date : November 9, 2020

Place: Noida

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"), and its share of net profit after tax and total comprehensive income of its associate for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 ("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. 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.
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. 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.

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.

4. 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

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- x. Eagle Press & Equipment Co. Limited
- xi. Eagle Press America Inc.
- xii. 21917375 Ontario Inc.
- xiii. Isgec Investments Pte. Ltd.
- xiv. Bioeq Energy Holdings One
- xv. Bioeq Energy Pte. Ltd.
- xvi. Bioeq Energy B.V
- xvii. Bioeq Energy Holdings Corp.
- xviii. Bukid Verde Inc.
- xix. Cavite Biofuels Producers Inc.

Associate

- i) Penwood Project Land Corp.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 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.

Emphasis of Matter

6. We draw attention to Note 5 to the Statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Group operations, carrying amounts of property, plant & equipment, intangible assets, investments, recoverability of receivables and other assets and management's evaluation of the future performance of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

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

Other Matter

7. We did not review the interim financial information / financial results of Seventeen subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results reflect total assets of Rs. 2,68,169 Lakhs as at September 30, 2020 and total revenues of Rs.6,617 Lakhs and Rs.10,859 Lakhs, total net profit after tax of Rs. 541 Lakhs and Rs. 560 Lakhs and total comprehensive profit of Rs. 1,095 Lakhs and Rs. 1,134 Lakhs, for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, and cash inflows (net) of Rs. 72.23 Lakhs for the period from April 1, 2020 to September 30, 2020, as considered in the consolidated unaudited financial results. The consolidated annual financial results also include the Group's share of net profit after tax of Rs. 8 Lakhs and Rs.15 Lakhs for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, as considered in the consolidated unaudited financial results, in respect of one associate, whose financial information / financial results have not been reviewed by us. 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 and the associate is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Certain of the above mentioned subsidiaries and associate is located outside India whose interim financial information / financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial information / financial results of such subsidiaries and associate located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the interim financial information / financial results of such subsidiaries and associate located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

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

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

ABHINAV KHOSLA

Digitally signed by ABHINAV KHOSLA
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Date: 2020.11.09 13:44 +05'30'

PLACE : Noida
DATED : 9th November, 2020

(Abhinav Khosla)
PARTNER
MEMBERSHIP No. 087010
ICAI UDIN No.: 20087010AAAADM8523

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2020

A. Statement of Financial Result

(₹ in lakhs except earnings per share)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
			Refer note 4				Refer note 4
	Continuing Operations						
I	Revenue from operations	1,34,459	1,07,082	1,43,054	2,41,541	2,62,498	5,88,206
II	Other Income	701	403	469	1,104	1,419	3,209
III	Total Income (I+II)	1,35,160	1,07,485	1,43,523	2,42,645	2,63,917	5,91,415
IV	Expenses :						
	(a) Cost of materials consumed	21,262	29,922	28,144	51,184	64,879	1,40,165
	(b) Purchase of stock-in-trade	50,166	33,969	49,197	84,135	94,952	2,15,000
	(c) Erection & commissioning expenses	14,535	7,813	21,315	22,348	35,903	76,914
	(d) Change in inventories of finished goods and work-in-progress (Increase)/decrease	9,752	3,366	3,205	13,118	(11,040)	(6,084)
	(e) Employee benefits expense	9,073	9,578	9,891	18,651	19,991	42,197
	(f) Finance costs	1,386	1,285	818	2,671	1,719	4,114
	(g) Depreciation and amortisation expense	2,648	2,700	2,351	5,348	4,600	10,119
	(h) Other expenses	15,630	13,206	23,462	28,836	42,815	87,555
	Total expenses (IV)	1,24,452	1,01,839	1,38,383	2,26,291	2,53,819	5,69,980
V	Profit/(loss) before share of an associate and exceptional items (III - IV)	10,708	5,646	5,140	16,354	10,098	21,435
VI	Share of profit/(loss) of an associate	8	7	-	15	-	10
VII	Profit/(loss) before tax (V+VI)	10,716	5,653	5,140	16,369	10,098	21,445
VIII	Tax expense of continuing operations						
	a) Current Tax	2,723	1,831	1,365	4,554	3,481	7,070
	b) Deferred Tax	212	(364)	(757)	(152)	(735)	(538)
IX	Profit/(loss) for the period (VII-VIII)	7,781	4,186	4,532	11,967	7,352	14,913
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	84	2	37	86	41	(106)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-22	-	6	(22)	5	50
	B (i) Items that will be reclassified to profit or loss	16	359	(60)	375	(93)	1,190
XI	Total Comprehensive Income (IX+X)	7,859	4,547	4,515	12,406	7,305	16,047
	Profit for the period	7,781	4,186	4,532	11,967	7,352	14,913
	Attributable to:						
	Owners of the parent	7,696	4,122	4,513	11,818	7,341	14,451
	Non-controlling interests	85	64	19	149	11	462
	Other comprehensive income for the period	78	361	(17)	439	(47)	1,134
	Attributable to:						
	Owners of the parent	78	361	(17)	439	(47)	1,147
	Non-controlling interests	-	-	-	-	-	(13)
	Total comprehensive income of the period:	7,859	4,547	4,515	12,406	7,305	16,047
	Attributable to:						
	Owners of the parent	7,774	4,483	4,496	12,257	7,294	15,598
	Non-controlling interests	85	64	19	149	11	449
XII	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735	735	735
XIII	Reserve excluding Revaluation Reserves						1,77,725
XIV	Earnings Per Equity Share of ₹ 1/- each (not annualised)						
	(a) Basic (in ₹)	10.47	5.61	6.14	16.07	9.99	19.65
	(b) Diluted (in ₹)	10.47	5.61	6.14	16.07	9.99	19.65

B. Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	As at
	30.09.2020	31.03.2020
	(Unaudited)	(Audited)
		Refer note 4
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	68,107	70,955
(b) Right-of-use assets	5,223	5,551
(c) Capital work - in - progress	74,935	70,642
(d) Goodwill	2,179	2,125
(e) Other intangible assets	4,102	4,688
(f) Biological assets other than bearer plants	-	-
(g) Investments accounted for using equity method	1,676	1,618
(h) Financial assets		
(i) Investments	-	-
(ii) Loans	1,175	1,292
(iii) Trade receivables	12,021	9,236
(iv) Other financial assets	1,700	1,708
(i) Deferred tax assets (net)	1,719	1,642
(j) Other non - current assets	994	1,267
Sub Total - Non Current Assets	1,73,831	1,70,724
(2) Current assets		
(a) Inventories	1,15,090	1,19,610
(b) Financial assets		
(i) Investments	3,414	8,199
(ii) Trade receivables	1,72,741	1,79,309
(iii) Cash and cash equivalents	11,503	17,973
(iv) Bank balances other than (iii) above	3,659	3,463
(v) Loans	2,082	1,953
(vi) Other financial assets	9,543	6,915
(c) Current tax assets	171	373
(d) Other current assets	91,612	87,245
Sub Total - Current Assets	4,09,815	4,25,040
Total Assets	5,83,646	5,95,764
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	735	735
(b) Other equity	1,89,981	1,77,725
Equity attributable to owners of Parent	1,90,716	1,78,460
Non Controlling Interest	7,396	7,467
Total equity	1,98,112	1,85,927
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	38,942	38,594
(ii) Lease liabilities	2,563	2,702
(iii) Other financial liabilities	2,036	162
(b) Provisions	5,880	6,841
(c) Deferred tax liabilities (net)	2,168	1,823
(d) Other non - current liabilities	16,302	18,649
Sub Total - Non Current Liabilities	67,891	68,771
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	35,434	55,232
(ii) Lease liabilities	621	520
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small	1,398	1,659
- Total outstanding dues of creditors other than micro	1,43,968	1,39,210
(iv) Other financial liabilities	11,335	11,919
(b) Other Current liabilities	1,09,643	1,19,947
(c) Provisions	14,549	12,577
(d) Current tax liabilities (net)	695	2
Sub Total - Current Liabilities	3,17,643	3,41,066
Total Equity & Liabilities	5,83,646	5,95,764

C. Cash Flow Statement

(₹ in lakhs)

Particulars	Six months ended	Six months ended
	(Unaudited)	(Unaudited)
A. Cash Flow from Operating Activities		
Profit before tax	16,369	10,098
Adjustments :		
Depreciation and amortization expenses	5,348	4,600
Preliminary Expenses Written off	-	-
(Profit)/Loss on diminution in value of stores and investments	1	2
(Gain) / Loss on disposal of property, plant and equipment	(67)	(1)
(Gain) / loss on sale of financial instruments	-	(1,172)
Change in fair value of financial instruments(investment)	(38)	908
Income from investments - dividends	-	-
Adjustment of expected credit loss	1	35
Bad debts written off	5	-
Liability no longer required written back	(724)	(1,247)
Interest income	(271)	(270)
Finance /Interest costs	2,671	1,719
Unrealised foreign exchange (gain)/ Loss	1,305	-
Adjustment due to discounting in warranty provision	75	(28)
Cash flow before working capital adjustments	24,675	14,644
Working capital adjustments		
Increase/(decrease) in trade receivables	2,338	7,058
(Increase)/decrease in current financial assets	(6,907)	(10,843)
(Increase)/decrease in inventories	4,519	(12,987)
Increase/(decrease) in financial liabilities	(7,687)	(8,732)
Increase/(decrease) in provision /other payables	1,021	912
Cash flow after working capital requirements	17,959	(9,948)
Income Tax paid (net of refund)	(3,270)	(3,959)
Net cash from operating activities	14,689	(13,907)
B. Cash flow from Investing activities		
Proceeds from sale of property, plant and equipment	293	37
Purchase of property, plant and equipment including capital work-in-progress	(6,011)	(5,953)
Payment towards acquisition of business, net of cash acquired	-	-
Purchase of intangible assets	(140)	(82)
Sale /(Purchase) of equity shares / mutual funds	4,822	1,940
Proceeds from sale of financial instruments	8	(40)
Interest income received	251	260
Dividend received	-	-
Income received from investment in associates	(58)	-
Net cash flow from / (used in) investing activities	(835)	(3,838)
C. Cash flow from Financing activities		
Dividend paid on equity shares	(256)	(1,207)
Dividend tax paid	-	(252)
Payments for lease liability	(123)	(214)
Finance / Interest cost - long term / short term	(728)	(1,619)
Proceeds/(repayment) from borrowings	(19,592)	17,015
Net cash flow from / (used in) financing activities	(20,699)	13,723
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(6,845)	(4,022)
Net foreign exchange difference		
Cash and cash equivalents at the beginning of the year	17,973	10,844
Effect of Foreign currency translation	375	(312)
Cash and cash equivalents at the end of the year	11,503	6,510
Components of cash and cash equivalents		
Cash, Cheques & Drafts on hand	40	51
Balance with Scheduled Banks	11,372	5,712
Bank term deposits	91	747
In Fixed Deposit under lien held as margin money	-	-
Cash and cash equivalents	11,503	6,510

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
- Plant under construction

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.

Plant under construction consists of acquired business of Cavite Biofuels Producers Inc. which is constructing ethanol plant.

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
			Refer note 4				Refer note 4
I	Segment Revenue						
	a) Manufacturing of Machinery & Equipment	30,831	34,129	40,684	64,960	70,249	1,61,258
	b) Engineering, Procurement and Construction	87,350	60,177	95,847	1,47,527	1,79,809	3,92,901
	c) Sugar	21,873	18,705	11,783	40,578	23,920	58,441
	d) Plant under construction	796	503	-	1,299	-	389
	e) Unallocated	-9	62	-	53	5	28
	Total	1,40,841	1,13,576	1,48,314	2,54,417	2,73,983	6,13,017
	Less: Inter segment Revenue	6,382	6,494	5,260	12,876	11,485	24,811
	Net Sales/Income from Operations	1,34,459	1,07,082	1,43,054	2,41,541	2,62,498	5,88,206
II	Segment Results (Profit(+)/Loss(-) before tax and interest from each segment)						
	a) Manufacturing of Machinery & Equipment	4,461	2,140	2,787	6,601	5,229	8,441
	b) Engineering, Procurement and Construction	4,583	2,854	3,411	7,437	6,245	15,162
	c) Sugar	3,040	2,175	631	5,215	1,797	4,830
	d) Plant under construction	315	28	-	343	-	(628)
	e) Unallocated	-346	(288)	(394)	(634)	(658)	(1,230)
	Total	12,053	6,909	6,435	18,962	12,613	26,575
	Less: i) Interest expense	1,301	1,222	749	2,523	1,603	3,794
	ii) Inter segment Interest	36	34	546	70	912	1,336
	Total Profit Before Tax	10,716	5,653	5,140	16,369	10,098	21,445
	Inter Segment result have been arrived at after considering inter segment interest income.						
				As at	As at	As at	As at
				30.09.2020	30.06.2020	30.09.2019	31.03.2020
				(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
					Refer note 4		Refer note 4
III	Segment Assets						
	a) Manufacturing of Machinery & Equipment			1,65,715	1,71,807	1,86,001	1,66,781
	b) Engineering, Procurement and Construction			2,95,470	2,93,064	2,95,301	2,89,813
	c) Sugar			51,824	64,920	44,970	62,133
	d) Plant under construction			79,784	78,865	-	77,404
	e) Unallocated Corporate assets			72,689	87,232	68,568	90,026
	Total			6,65,482	6,95,888	5,94,840	6,86,157
	Less: Inter segment assets			81,836	89,793	67,237	90,393
	Total Assets			5,83,646	6,06,095	5,27,603	5,95,764
IV	Segment Liabilities						
	a) Manufacturing of Machinery & Equipment			1,26,540	1,34,802	1,52,717	1,34,380
	b) Engineering, Procurement and Construction			2,33,450	2,32,845	2,38,261	2,27,457
	c) Sugar			26,129	40,591	23,067	39,043
	d) Plant under construction			64,900	64,041	-	62,780
	e) Unallocated Corporate Liabilities			16,351	33,135	16,283	36,570
	Total			4,67,370	5,05,414	4,30,328	5,00,230
	Less: Inter segment Liabilities			81,836	89,793	67,237	90,393
	Total Liabilities			3,85,534	4,15,621	3,63,091	4,09,837

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 November 9, 2020.
2. The Consolidated results of the Group include the result of Isgec Heavy Engineering Limited (hereinafter referred to as “the Company”) and its 19 subsidiaries and 1 Associate. The Company together with its subsidiaries is herein referred to as the Group.
3. The financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.
4. The Company has earlier informed that in terms of settlement of arbitration arrived at with M/s. Cavite Biofuels Producers Inc. (CBPI), the Company had acquired CBPI with its related assets and liabilities and group companies through its wholly owned subsidiary Isgec Investments Pte Ltd. on October 3, 2019. As permitted under Ind AS 103 “Business Combination”, upto the quarter ended 30th June 2020, the company had reported provisional amounts of items for which fair valuation was required to be done. During the quarter ended 30th September, 2020, the Company has completed the initial accounting at fair value at the acquisition date and thus the comparative information for the year ended 31st March, 2020 and quarter ended 30th June, 2020 has been revised.
5. The Group has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the Company's operations and the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Group has considered internal and external sources of information up to the date of approval of the Consolidated Financial Results, including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Group does not expect any significant impact on such carrying values. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of the Consolidated Financial Results.
6. The Code on Social Security 2020, relating to employee benefits during employment and post-employment benefits, has been notified in the Official Gazette on September 29, 2020. The effective date from which the Code will come into effect is yet to be notified and the rules are yet to be framed. The Group will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
7. The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

Date : November 9, 2020
Place: Noida

FOR ISGEC HEAVY ENGINEERING LIMITED

**ADITYA
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ADITYA PURI
Date: 2020.11.09
12:36:02 +05'30'
(ADITYA PURI)
MANAGING DIRECTOR