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[www.isgec.com](http://www.isgec.com)

Ho-425-S

Dated: 10.08.2019

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: Unaudited Standalone and Consolidated Financial Results for the quarter ended**  
**June 30, 2019**

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 ended June 30, 2019. These results were approved by the Board of Directors in its meeting held on today i.e. August 10, 2019 at 01:45 p.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 03:15 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: (i) Unaudited Standalone and Consolidated Financial Results for the quarter  
ended on June 30, 2019  
(ii) Limited Review Auditors Report.

**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 ENDED 30.06.2019**

(₹ in lakhs except earning per share)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
			(Refer Note 6)		
I	Revenue from operations	100,723	135,648	71,419	412,892
II	Other Income	404	695	728	3,690
III	<b>Total Income (I+II)</b>	<b>101,127</b>	<b>136,343</b>	<b>72,147</b>	<b>416,582</b>
IV	<b>Expenses :</b>				
	(a) Cost of materials consumed	16,561	22,762	14,891	71,770
	(b) Purchase of stock-in-trade	45,260	66,615	18,656	180,261
	(c) Erection & commissioning expenses	14,581	15,125	5,685	45,285
	(d) Change in inventories of finished goods and work-in-progress (increase)/decrease	(6,986)	(6,642)	2,984	(10,997)
	(e) Employee benefits expense	7,720	7,982	6,919	29,277
	(f) Finance costs	295	408	118	1,531
	(g) Depreciation and amortisation expense	1,778	1,797	1,547	6,593
	(h) Other expenses	16,845	22,948	16,629	72,554
	<b>Total expenses (IV)</b>	<b>96,054</b>	<b>130,995</b>	<b>67,429</b>	<b>396,274</b>
V	<b>Profit before tax (III-IV)</b>	<b>5,073</b>	<b>5,348</b>	<b>4,718</b>	<b>20,308</b>
VI	Tax expense				
	a) Current Tax	1,826	1,878	1,750	7,931
	b) Deferred Tax	(35)	344	(127)	(455)
VII	<b>Profit for the period (V-VI)</b>	<b>3,282</b>	<b>3,126</b>	<b>3,095</b>	<b>12,832</b>
VIII	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	4	(20)	16	28
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	8	(6)	(10)
IX	<b>Total Comprehensive Income (VII+VIII)</b>	<b>3,285</b>	<b>3,114</b>	<b>3,105</b>	<b>12,850</b>
X	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735
XI	Reserve excluding Revaluation Reserves				133,982
XII	<b>Earning Per Share (of ₹ 1 /- each) (not annualised)</b>				
	(a) Basic (in ₹)	4.46	4.25	4.21	17.45
	(b) Diluted (in ₹)	4.46	4.25	4.21	17.45



## Segment Reporting - Standalone

### 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:

- a) Manufacturing of Machinery and Equipment Segment
- b) 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			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
(₹ in Lakhs)					
<b>I</b>	<b>Segment Revenue</b>		(Refer Note 6)		
	a) Manufacturing of Machinery & Equipment	23,753	31,915	32,990	120,262
	b) Engineering, Procurement and Construction	83,151	112,687	43,959	322,143
	c) Unallocated	5	3	5	17
	<b>Total</b>	<b>106,909</b>	<b>144,605</b>	<b>76,954</b>	<b>442,422</b>
	Less: Inter Segment Revenue	6,186	8,957	5,535	29,530
	<b>Net Sales/Income from Operations</b>	<b>100,723</b>	<b>135,648</b>	<b>71,419</b>	<b>412,892</b>
<b>II</b>	<b>Segment Results (Profit(+)/Loss(-) before tax and interest from each segment)</b>				
	a) Manufacturing of Machinery & Equipment	3,244	3,370	3,987	13,170
	b) Engineering, Procurement and Construction	2,743	2,998	1,731	11,660
	c) Unallocated	(268)	165	150	747
	<b>Total</b>	<b>5,719</b>	<b>6,533</b>	<b>5,868</b>	<b>25,577</b>
	Less: i) Interest expense	257	390	59	1,403
	ii) Inter Segment Interest	389	795	1,091	3,866
	<b>Total Profit before tax</b>	<b>5,073</b>	<b>5,348</b>	<b>4,718</b>	<b>20,308</b>
	Inter Segment result have been arrived at after considering inter segment interest income.				
			As at	As at	As at
			30.06.2019	31.03.2019	30.06.2018
			(Unaudited)	(Audited)	(Unaudited)
<b>III</b>	<b>Segment Assets</b>				
	a) Manufacturing of Machinery & Equipment		127,778	122,163	103,567
	b) Engineering, Procurement and Construction		284,001	295,355	252,687
	c) Unallocated Corporate Assets		73,017	67,082	78,961
	<b>Total</b>		<b>484,796</b>	<b>484,600</b>	<b>435,215</b>
	Less: Inter Segment Assets		58,321	58,445	70,770
	<b>Total Assets</b>		<b>426,475</b>	<b>426,155</b>	<b>364,445</b>
<b>IV</b>	<b>Segment Liabilities</b>				
	a) Manufacturing of Machinery & Equipment		102,574	99,628	86,157
	b) Engineering, Procurement and Construction		232,301	239,924	198,977
	c) Unallocated Corporate Liabilities		11,919	10,331	24,691
	<b>Total</b>		<b>346,794</b>	<b>349,883</b>	<b>309,825</b>
	Less: Inter Segment Liabilities		58,321	58,445	70,770
	<b>Total Liabilities</b>		<b>288,473</b>	<b>291,438</b>	<b>239,055</b>



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 10th August, 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. (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.
4. 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 quarters ended June 30, 2018 and March 31, 2019 and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption resulted in an increase of ₹ 75 lakhs and ₹ 27 lakhs in depreciation and finance cost respectively and a decrease in lease rent cost of ₹ 80 lakhs.
5. The Company has stated as under in audited results published for year ended March 31, 2019:  
" (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 ₹ 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 3-4 months for completion. There is no other change till date.
6. The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2019 and the unaudited published year to date figures up to December 31, 2018, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.
7. The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

FOR ISGEC HEAVY ENGINEERING LIMITED

Date : 10th August, 2019  
Place: Yamunanagar



  
(ADITYA PURI)  
MANAGING DIRECTOR  


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 CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30.06.2019

(₹ in lakhs except earning per share)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
			(Refer Note 2)	(Refer Note 2)	
I	Revenue from operations	119,444	158,916	92,316	505,066
II	Other income	950	1,481	834	6,876
III	<b>Total income (I+II)</b>	<b>120,394</b>	<b>160,397</b>	<b>93,150</b>	<b>511,942</b>
IV	<b>Expenses :</b>				
	(a) Cost of materials consumed	36,735	58,767	34,778	150,317
	(b) Purchase of stock-in-trade	45,755	66,863	18,702	181,158
	(c) Erection & commissioning expenses	14,588	14,872	5,615	44,889
	(d) Change in inventories of finished goods and work-in-progress (increase)/decrease	(14,245)	(26,399)	(4,277)	(20,379)
	(e) Employee benefits expense	10,100	10,709	8,518	37,549
	(f) Finance cost	901	695	486	2,555
	(g) Depreciation and amortisation expense	2,249	2,309	1,905	8,248
	(h) Other expenses	19,353	26,404	19,999	84,911
	<b>Total expenses (IV)</b>	<b>115,436</b>	<b>154,220</b>	<b>85,726</b>	<b>489,248</b>
V	<b>Profit/(Loss) before tax (III-IV)</b>	<b>4,958</b>	<b>6,177</b>	<b>7,424</b>	<b>22,694</b>
VI	Tax expense				
	a) Current Tax	2,116	2,155	2,693	8,713
	b) Deferred Tax	22	153	(130)	(421)
VII	<b>Profit/(Loss) for the year (V-VI)</b>	<b>2,820</b>	<b>3,869</b>	<b>4,861</b>	<b>14,402</b>
VIII	Other Comprehensive Income (OCI)				
	A (i) Items that will not be reclassified to profit or loss	4	(37)	16	(208)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	(24)	(6)	(41)
	B (i) Items that will be reclassified to profit or loss	(33)	5	-	(173)
IX	<b>Total Comprehensive Income (VII+VIII)</b>	<b>2,790</b>	<b>3,813</b>	<b>4,871</b>	<b>13,980</b>
	<b>Profit for the year</b>	<b>2,820</b>	<b>3,869</b>	<b>4,861</b>	<b>14,402</b>
	<b>Attributable to:</b>				
	Owners of the parent	2,828	3,943	4,756	14,277
	Non-controlling interests	(8)	(74)	105	125
	<b>Other comprehensive income for the year:</b>	<b>(30)</b>	<b>(56)</b>	<b>10</b>	<b>(422)</b>
	<b>Attributable to:</b>				
	Owners of the parent	(30)	(60)	10	(426)
	Non-controlling interests	-	4	-	4
	<b>Total comprehensive income for the year:</b>	<b>2,790</b>	<b>3,813</b>	<b>4,871</b>	<b>13,980</b>
	<b>Attributable to:</b>				
	Owners of the parent	2,798	3,883	4,766	13,851
	Non-controlling interests	(8)	(70)	105	129
	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735
	Reserve excluding Revaluation Reserves				150,785
X	<b>Earning Per Share (of ₹ 1 /- each)</b>				
	(a) Basic (in ₹)	3.85	5.36	6.47	19.42
	(b) Diluted (in ₹)	3.85	5.36	6.47	19.42



## Segment Reporting - Consolidated

### 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:

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

The composition of Segments is :

**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 Company, sales and margins do not accrue uniformly during the year.

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
(₹ in lakhs)					
I	<b>Segment Revenue</b>				
	a) Manufacturing of Machinery & Equipment	29,565	40,439	41,220	155,236
	b) Engineering, Procurement and Construction	83,962	112,989	44,137	323,783
	c) Sugar	12,137	14,307	12,562	55,830
	d) Unallocated	5	3	5	17
	<b>Total</b>	<b>125,669</b>	<b>167,738</b>	<b>97,924</b>	<b>534,866</b>
	Less : Inter Segment Revenue	(6,225)	(8,822)	(5,608)	(29,800)
	<b>Net Sales / Income from Operations</b>	<b>119,444</b>	<b>158,916</b>	<b>92,316</b>	<b>505,066</b>
II	<b>Segment Results</b>				
	<b>Profit (+) / Loss (-) before Tax and Interest from Each segment</b>				
	a) Manufacturing of Machinery & Equipment	2,442	3,600	4,703	14,269
	b) Engineering, Procurement and Construction	2,834	3,062	1,747	11,823
	c) Sugar	1,166	770	2,306	1,997
	d) Unallocated	(264)	168	150	756
	<b>Total</b>	<b>6,178</b>	<b>7,600</b>	<b>8,906</b>	<b>28,845</b>
	Less: i) Interest expense	(854)	(627)	(391)	(2,284)
	ii) Inter segment Interest	(366)	(796)	(1,091)	(3,867)
	<b>Total Profit Before Tax</b>	<b>4,958</b>	<b>6,177</b>	<b>7,424</b>	<b>22,694</b>
	Inter Segment result have been arrived at after considering inter segment interest income.				
		As at 30.06.2019 (Unaudited)	As at 31.03.2019 (Audited)	As at 30.06.2018 (Unaudited)	
III	<b>Segment assets</b>				
	a) Manufacturing of Machinery & Equipment	180,841	168,268	126,350	
	b) Engineering, Procurement and Construction	286,626	297,672	253,609	
	c) Sugar	54,341	53,414	49,652	
	d) Unallocated Corporate Assets	58,070	52,133	66,506	
	<b>Total</b>	<b>579,878</b>	<b>571,487</b>	<b>496,117</b>	
	Less : Inter Segment Assets	(63,081)	(58,660)	(71,294)	
	<b>Total Assets</b>	<b>516,797</b>	<b>512,827</b>	<b>424,823</b>	
IV	<b>Segment Liabilities</b>				
	a) Manufacturing of Machinery & Equipment	139,531	128,503	94,504	
	b) Engineering, Procurement and Construction	234,695	242,014	199,217	
	c) Sugar	32,433	31,953	27,538	
	d) Unallocated Corporate Liabilities	11,918	10,332	24,692	
	<b>Total</b>	<b>418,577</b>	<b>412,802</b>	<b>345,951</b>	
	Less : Inter Segment Liabilities	(63,081)	(58,660)	(71,294)	
	<b>Total Liabilities</b>	<b>355,496</b>	<b>354,142</b>	<b>274,657</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 10th August, 2019.
2. The Consolidated results of the Group include the result of the Company and its 10 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 ended Jun 30, 2018 and March 31, 2019 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 quarters ended June 30, 2018 and March 31, 2019 and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption resulted in an increase of ₹ 77 lakhs and ₹ 28 lakhs in depreciation and finance cost respectively and a decrease in lease rent cost of ₹ 83 lakhs.
6. The Parent Company has stated as under in audited results published for year ended March 31, 2019:  
"(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 ₹ 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 3-4 months for completion. There is no other change till date.
7. The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

FOR ISGEC HEAVY ENGINEERING LIMITED

Date : 10th August, 2019  
Place: Yamunanagar



  
(ADITYA PURI)  
MANAGING DIRECTOR  


**Independent Auditor's Review Report on the Quarterly 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 June 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.
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 substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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**

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



5. Emphasis of Matter

We draw attention to Note No.5 to the Statement which describes the nature and expected outcome with respect to the ongoing litigation regarding Bio refinery project in Philippines. Our conclusion is not modified in respect of this matter.

PLACE : YAMUNANAGAR  
- CAMP OFFICE  
DATED : 10.08.2019



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

*Abhinav Khosla*  
(Abhinav Khosla)

PARTNER

MEMBERSHIP No. 087010.

ICAI UDIN No. 19087010AAAAAV4602

**Independent Auditor's Review Report on the Quarterly 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 Consolidated Unaudited 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 June 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 June, 2018 and immediately preceding quarter ended 31 March, 2019, as reported in the accompanying 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 substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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



**Other Offices**

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- vi) Isgec Hitachi Zosen Limited
- vii) Isgec Foster Wheeler Boilers Private Limited
- viii) Isgec Redecam Enviro Solutions Private Limited
- ix) Isgec Titan Metal Fabricators Private Limited
- x) Eagle Press & Equipment Co. Limited
- xi) Eagle Press America Inc.
- xii) 2191375 Ontario Inc.

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 nature and expected outcome with respect to the ongoing litigation 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 revenues of Rs.8,046.27 Lakhs for the quarter ended 30th June, 2019, total net loss after tax of Rs.882.11 Lakhs for the quarter ended 30th June, 2019 and total comprehensive loss of Rs.915.34 Lakhs for the quarter ended 30th June, 2019, as considered in the consolidated unaudited financial results. These interim 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.

For SCV & CO. LLP  
Chartered Accountants

Firm's Registration Number : 000235N/N500089



PLACE : Yamunanagar  
DATED : 10<sup>th</sup> August, 2019

CAMP  
OFFICE

*Abhinav Khosla*  
(Abhinav Khosla)

PARTNER

MEMBERSHIP No. 087010

ICAI UDIN No.

*19087010AAAAAW3548*