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Ho-425-S

Dated: 26.06.2020

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**

1. This is in continuation of our letter dated June 22, 2020, we wish to inform that the Board Meeting held today i.e. Friday, June 26, 2020, at 11:00 a.m., the Board of Directors has approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2020.
2. Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith:-
  - a). Audited Standalone Financial Results for the quarter and year ended on March 31, 2020 along with Auditors' Report thereon.
  - b). Audited Consolidated Financial Results for the quarter and year ended on March 31, 2020 along with Auditors' Report thereon.
3. In addition to the above, the Board of Directors has deferred the proposal for raising of funds through issuance of Non-convertible Debentures (NCDs).
4. In accordance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, granting relaxation from the provisions of Regulation 47 of SEBI (LODR) Regulations, 2015, regarding advertisements in newspapers, the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2020, are not being published in the newspapers.

**ISGEC HEAVY ENGINEERING LTD.**

A-4, Sector-24,  
Noida - 201 301 (U.P.) India  
Tel.: +91-120-408 50 00  
[www.isgec.com](http://www.isgec.com)

5. This intimation is also available on the website of the Company at [www.isgec.com](http://www.isgec.com)
6. The meeting of the Board of Directors was concluded at 01:30 p.m.

The above is for your information and records please.

Thanking you,

Yours faithfully,  
For Isgtec Heavy Engineering Limited

SUDERSHAN KUMAR  
KHORANA  
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SUDERSHAN KUMAR  
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Date: 2020.06.26  
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(S.K. Khorana)  
Executive Director & Company Secretary

Encl: as above

**Independent Auditor's Report on the Standalone Annual Financial Results of Isgec Heavy Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

**INDEPENDENT AUDITORS' REPORT**

To  
**The Board of Directors of Isgec Heavy Engineering Limited**

**Report on the audit of the standalone annual financial results**

We have audited the accompanying standalone annual financial results of **Isgec Heavy Engineering Limited** (hereinafter referred to as "the Company"), for the year ended 31<sup>st</sup> March, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

**Emphasis of Matter**

We draw attention to Note 7 to the standalone annual financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations, carrying amounts of investments, recoverability of receivables and other assets and management's evaluation of the future performance of the Company. Our opinion is not modified in respect of this matter.

**Management's and Board of Directors' Responsibility for the standalone annual financial results**

These standalone annual financial results have been prepared on the basis of the standalone annual Ind AS financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Other offices**

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In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion whether the company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone annual financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone annual financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

The standalone annual financial results includes the results for the quarter ended 31<sup>st</sup> March, 2020 and corresponding quarter ended of the previous year being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year and previous financial year, which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

For SCV & Co. LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No. 000235N/N500089

ABHINAV KHOSLA

Digitally signed by ABHINAV KHOSLA  
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Date: 2020.06.26 13:19:58 +05'30'

( ABHINAV KHOSLA )  
PARTNER  
MEMBERSHIP No. 087010  
ICAI UDIN: 20087010AAAABH2611

PLACE: New Delhi  
DATED: 26<sup>th</sup> June, 2020

## 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 YEAR ENDED 31.03.2020

## A. Statement of Financial Results

(₹ in lakhs except earnings per share)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	Revenue from operations	1,30,108	1,33,186	1,35,648	4,89,371	4,12,892
II	Other Income	223	440	695	1,858	3,690
III	<b>Total Income (I+II)</b>	<b>1,30,331</b>	<b>1,33,626</b>	<b>1,36,343</b>	<b>4,91,229</b>	<b>4,16,582</b>
IV	<b>Expenses :</b>					
	(a) Cost of materials consumed	13,116	14,938	22,762	63,195	71,770
	(b) Purchase of stock-in-trade	59,970	57,452	66,615	2,11,490	1,80,261
	(c) Erection & commissioning expenses	22,592	18,760	15,125	77,208	45,285
	(d) Change in inventories of finished goods and work-in-progress (increase)/decrease	2,645	7,849	(6,642)	4,328	(10,997)
	(e) Employee benefits expense	8,250	7,714	7,982	31,331	29,277
	(f) Finance costs	662	401	408	1,587	1,531
	(g) Depreciation and amortisation expense	1,913	1,850	1,797	7,371	6,593
	(h) Other expenses	17,721	18,273	22,948	73,972	72,554
	<b>Total expenses (IV)</b>	<b>1,26,869</b>	<b>1,27,237</b>	<b>1,30,995</b>	<b>4,70,482</b>	<b>3,96,274</b>
V	<b>Profit before tax (III-IV)</b>	<b>3,462</b>	<b>6,389</b>	<b>5,348</b>	<b>20,747</b>	<b>20,308</b>
VI	Tax expense					
	a) Current Tax	918	1,684	1,878	5,704	7,931
	b) Deferred Tax	(30)	(164)	344	(267)	(455)
VII	<b>Profit for the year (V - VI)</b>	<b>2,574</b>	<b>4,869</b>	<b>3,126</b>	<b>15,310</b>	<b>12,832</b>
VIII	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	(30)	7	(20)	17	28
	(ii) Income tax relating to items that will not be reclassified to profit or loss	7	(2)	8	10	(10)
IX	<b>Total Comprehensive Income (VII+VIII)</b>	<b>2,551</b>	<b>4,874</b>	<b>3,114</b>	<b>15,337</b>	<b>12,850</b>
X	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735	735
XI	Reserve excluding Revaluation Reserves				1,46,316	1,33,982
XII	<b>Earnings Per Equity Share of ₹ 1/- each (not annualised)</b>					
	(a) Basic (in ₹)	3.50	6.62	4.25	20.82	17.45
	(b) Diluted (in ₹)	3.50	6.62	4.25	20.82	17.45



## B. Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	45,207	46,916
(b) Right-of-use assets	3,802	-
(c) Capital work - in - progress	766	1,123
(d) Intangible assets	2,851	3,832
(e) Financial assets		
(i) Investments	16,930	16,924
(ii) Loans	3,081	1,106
(iii) Trade receivables	9,200	4,332
(iv) Other financial assets	1,523	1,423
(f) Deferred tax assets (net)	915	638
(g) Other non - current assets	249	413
<b>Sub Total - Non Current Assets</b>	<b>84,524</b>	<b>76,707</b>
<b>(2) Current assets</b>		
(a) Inventories	51,105	61,113
(b) Financial assets		
(i) Investments	8,199	15,546
(ii) Trade receivables	1,99,044	1,80,381
(iii) Cash and cash equivalents	12,736	7,597
(iv) Bank balances other than (iii) above	820	1,609
(v) Loans	1,895	1,953
(vi) Other financial assets	1,405	1,795
(c) Current tax assets (net)	218	-
(d) Other current assets	83,382	79,454
<b>Sub Total - Current Assets</b>	<b>3,58,804</b>	<b>3,49,448</b>
<b>Total Assets</b>	<b>4,43,328</b>	<b>4,26,155</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	735	735
(b) Other equity	1,46,316	1,33,982
<b>Total Equity</b>	<b>1,47,051</b>	<b>1,34,717</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	92	-
(ii) Lease liabilities	1,010	-
(iii) Other financial liabilities	128	149
(b) Provisions	6,140	6,051
(c) Other non - current liabilities	17,521	25,446
<b>Sub Total - Non Current Liabilities</b>	<b>24,891</b>	<b>31,646</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	34,004	7,471
(ii) Lease liabilities	253	-
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small Enterprises	1,574	984
- Total outstanding dues of creditors other than micro enterprises and small Enterprises	1,20,911	1,28,017
(iv) Other financial liabilities	7,724	7,522
(b) Other Current liabilities	95,468	1,05,553
(c) Provisions	11,452	9,638
(d) Current tax liabilities (net)	-	607
<b>Sub Total - Current Liabilities</b>	<b>2,71,386</b>	<b>2,59,792</b>
<b>Total Equity &amp; Liabilities</b>	<b>4,43,328</b>	<b>4,26,155</b>



## C. Cash Flow Statement

		(₹ in lakhs)	
Particulars	Year ended	Year ended	
	31.03.2020	31.03.2019	
	(Audited)	(Audited)	
<b>A Cash flow from operating activities</b>			
Profit before tax	20,747	20,308	
<b>Adjustments for :</b>			
Depreciation and amortisation expenses	7,370	6,593	
(Gain) / loss on disposal of property, plant and equipment	12	318	
Liability no longer required written back	(211)	(1,200)	
Adjustment of expected credit loss	25	1,112	
Interest Income	(529)	(833)	
Finance / interest costs	1,587	1,531	
Income from investments - Dividends	(483)	(129)	
Change in fair value of financial instruments (investment)	(243)	(826)	
Adjustment due to discounting in warranty provision	52	96	
Unrealised (gain) / loss on foreign currency translation	(3,528)	(53)	
<b>Operating profit before working capital adjustments</b>	<b>24,799</b>	<b>26,917</b>	
<b>Working capital adjustments</b>			
(Increase) / Decrease in trade receivables	(20,317)	(71,452)	
(Increase) / Decrease in other receivables	(4,639)	(32,003)	
(Increase) / Decrease in inventories	10,008	(14,503)	
Increase / (Decrease) in trade and other payables	(23,965)	85,382	
Increase / (Decrease) in payables and provisions	1,868	(2,479)	
<b>Cash generated from operations</b>	<b>(12,246)</b>	<b>(8,138)</b>	
Income Tax paid (net of refund)	(6,528)	(8,074)	
<b>Net cash flow from / (used in) operating activities</b>	<b>(18,774)</b>	<b>(16,212)</b>	
<b>B Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment	80	44	
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(6,699)	(10,350)	
Sale / (Purchase) of equity shares / mutual funds	7,585	19,237	
Interest income received	535	895	
Dividend received	483	129	
<b>Net cash flow from / (used in) investing activities</b>	<b>1,984</b>	<b>9,955</b>	
<b>C Cash flow from financing activities</b>			
Dividend paid on equity shares	(2,573)	(409)	
Dividend Tax paid	(430)	(49)	
Payment of lease liabilities	(329)	-	
Finance / interest cost	(1,365)	(1,517)	
Proceeds from long term borrowings	132	-	
Repayment of long term borrowings	(12)	-	
Proceeds / (repayment) from short term borrowings (net)	26,506	(757)	
<b>Net cash flow from / (used in) financing activities</b>	<b>21,929</b>	<b>(2,732)</b>	
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>5,139</b>	<b>(8,989)</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	12,736	7,597	
<b>Components of cash and cash equivalents</b>			
Cash and Cheques on hand	11	35	
Balance with Scheduled Banks	12,725	4,954	
Bank term deposits	-	2,608	
Cash and cash equivalents	12,736	7,597	





## 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:

(₹ in lakhs)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	<b>Segment Revenue</b>					
	a) Manufacturing of Machinery & Equipment	27,753	37,621	31,915	1,24,340	1,20,262
	b) Engineering, Procurement and Construction	1,09,130	1,02,070	1,12,687	3,89,739	3,22,143
	c) Unallocated	(7)	30	3	28	17
	Total	1,36,876	1,39,721	1,44,605	5,14,107	4,42,422
	Less: Inter Segment Revenue	6,768	6,535	8,957	24,736	29,530
	Net Sales/Income from Operations	1,30,108	1,33,186	1,35,648	4,89,371	4,12,892
II	<b>Segment Results (Profit+)/Loss(-) before tax and interest from each segment)</b>					
	a) Manufacturing of Machinery & Equipment	(164)	2,932	3,370	9,039	13,170
	b) Engineering, Procurement and Construction	4,537	4,310	2,998	15,044	11,660
	c) Unallocated	(359)	(229)	165	(796)	747
	Total	4,014	7,013	6,533	23,287	25,577
	Less: i) Interest expense	569	380	390	1,382	1,403
	ii) Inter Segment Interest	(17)	244	795	1,158	3,866
	Total Profit before tax	3,462	6,389	5,348	20,747	20,308
	Inter Segment result have been arrived at after considering inter segment interest income.					
					As at 31.03.2020	As at 31.03.2019
					(Audited)	(Audited)
III	<b>Segment Assets</b>					
	a) Manufacturing of Machinery & Equipment				1,16,398	1,22,163
	b) Engineering, Procurement and Construction				2,86,095	2,95,355
	c) Unallocated Corporate Assets				1,01,826	67,082
	Total				5,04,319	4,84,600
	Less: Inter Segment Assets				60,991	58,445
	Total Assets				4,43,328	4,26,155
IV	<b>Segment Liabilities</b>					
	a) Manufacturing of Machinery & Equipment				94,322	99,628
	b) Engineering, Procurement and Construction				2,26,377	2,39,924
	c) Unallocated Corporate Liabilities				36,569	10,331
	Total				3,57,268	3,49,883
	Less: Inter Segment Liabilities				60,991	58,445
	Total Liabilities				2,96,277	2,91,438



## 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 June 26, 2020.
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 Company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the quarter ended September 30, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and quarter ended March 31, 2020 and December 31, 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 year ended March 31, 2020.
4. The Board of Directors has declared and paid an interim dividend of ₹ 2/- (200%) per equity share of the face value of ₹ 1/- each for the financial year 2019-20 at its meeting held on February 12, 2020. In view of uncertain financial impact of Covid-19 on the Company and the requirement of funds, the Board of Directors have not recommended any final dividend.
5. 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 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 ₹ 26 lakhs respectively for the quarter ended March 31, 2020 and ₹ 310 lakhs and ₹ 110 lakhs respectively for the year ended March 31, 2020 and decrease in lease rent cost of ₹ 84 lakhs for the quarter ended March 31, 2020 and ₹ 329 lakhs for the year ended March 31, 2020.
6. (a) The Company had 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.  
(b) Further, in the results for the quarter ended December 31, 2019, published on February 12, 2020, the Company had informed that:
  - (i) The Company is making efforts to sell CBPI and all its assets and liabilities and group companies (the "Disposal group"), in order to recover the amounts due to it;
  - (ii) This Disposal group has been classified as Held for sale, and accounted in Consolidated Financial Statements accordingly under the Head - Discontinued Operations."
  - (c) The Company has been in talks for sale with various parties but these could not progress further due to Covid-19, which has been ruling over South East Asia for the last several months. In view of this, the sale is unlikely to be completed within one year from the date of acquisition as required in paragraph 8 of Ind AS 105.
  - (d) Hence, this group of assets and liabilities are no longer classified as "Held for Sale" and have now been consolidated as subsidiaries in accordance with Ind AS 110 in the Consolidated Financial Statements.
7. Impact of Covid-19
  - (a) The Company has evaluated the impact of Covid-19 resulting from (i) the possibility of constraints to fulfill its contractual obligations with customers; (ii) effect on costs to complete the contracts; (iii) deferment of orders by customers. The Company has concluded that the impact of Covid-19 is not material on long term basis. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
  - (b) The Company has considered, on the basis of internal and external sources of information, the possible effects on the recoverability of receivables including unbilled receivables, contracts-in-progress and contract costs, investments and other financial assets. The Company, as on date, expects that the carrying amount of these assets will be recovered.
8. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year to date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.
9. In terms of SEBI Circular CIR/CFD/CMD/56//2016 dated 27 May, 2016 the Company hereby declares that the auditors have issued audit report for standalone financial results with unmodified opinion for the year ended March 31, 2020.

Date : June 26, 2020  
Place: Noida



FOR ISGEC HEAVY ENGINEERING LIMITED

ADITYA  
PURI

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ADITYA PURI  
Date: 2020.06.26  
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(ADITYA PURI)  
MANAGING DIRECTOR

**Independent Auditor's Report on the Consolidated Annual Financial Results of Isgec Heavy Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**  
**INDEPENDENT AUDITORS' REPORT**

**To**  
**The Board of Directors of Isgec Heavy Engineering Limited**

**Report on the audit of the consolidated annual financial results**

We have audited the accompanying consolidated annual financial results of **Isgec Heavy Engineering Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associate, for the year ended 31<sup>st</sup> March, 2020 ("the Statement" or "consolidated annual financial results"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of subsidiaries and associate, the aforesaid consolidated annual financial results:

- (i) include the annual financial results of the following entities:
- Subsidiaries
- a) Saraswati Sugar Mills Limited
  - b) Isgec Covema Limited
  - c) Isgec Exports Limited
  - d) Isgec Engineering & Projects Limited
  - e) Freelook Software Private Limited
  - f) Isgec Hitachi Zosen Limited
  - g) Isgec SFW Boilers Private Limited (Formerly known as ISGEC Foster Wheeler Boilers Private Limited)
  - h) Isgec Redecam Enviro Solutions Private Limited
  - i) Isgec Titan Metal Fabricators Private Limited
  - j) Eagle Press & Equipment Co. Limited
  - k) Eagle Press America Inc.
  - l) 21917375 Ontario Inc.
  - m) Isgec Investments Pte. Ltd.
  - n) Bioeq Energy Holdings One
  - o) Bioeq Energy Pte. Ltd.
  - p) Bioeq Energy B.V
  - q) Bioeq Energy Holdings Corp.
  - r) Bukid Verde Inc.
  - s) Cavite Biofuels Producers Inc.
- Associate
- a) Penwood Project Land Corp.
- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March, 2020.

**Other offices**

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T: +91-11-23274888/77410

B-XIX-220, Rani Jhansi Road, Ghumar Mandi  
Ludhiana – 121001  
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### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

### **Emphasis of Matter**

We draw attention to Note 8 to the consolidated annual financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Group’s operations, carrying amounts of investments, recoverability of receivables and other assets and management’s evaluation of the future performance of the Group. Our opinion is not modified in respect of this matter.

### **Management’s and Board of Directors’ Responsibility for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated Ind AS financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### **Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion whether the company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated annual financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated annual financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## Other Matters

1. We did not audit the financial information / financial results of Eighteen subsidiaries included in the consolidated annual financial results, whose financial information / financial results reflect total assets of Rs. 3,06,076 Lakhs as at March 31, 2020, total revenues of Rs. 9,354 Lakhs and Rs. 48,028 Lakhs, total net loss after tax of Rs. 1,746 Lakhs and Rs. 2,160 Lakhs and total comprehensive loss of Rs. 14 Lakhs and Rs. 454 Lakhs, for the quarter ended March 31, 2020 and for the year ended March 31, 2020, respectively and net cash inflows of Rs. 3,452 Lakhs for the year ended March 31, 2020, as considered in the consolidated annual financial results. The consolidated annual financial results also include the Group's share of net loss of Rs. 4 Lakhs and net profit of Rs. 10 Lakhs for the quarter ended March 31, 2020 and for the year ended March 31, 2020, respectively, as considered in the consolidated annual financial results, in respect of one associate, whose financial information / financial results have not been audited by us. These financial information / financial results have been audited by other auditors whose auditor's reports have been furnished to us by the Management and our conclusion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the reports of the other auditors.

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

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors.

2. The consolidated annual financial results includes the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us. The results for the previous year's quarter ended 31<sup>st</sup> March, 2019 are the balancing figure between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the previous financial year. (Refer Note 2 to the consolidated annual financial results).

Our opinion is not modified in respect of this matter.

For SCV & Co. LLP  
 CHARTERED ACCOUNTANTS  
 FIRM REGISTRATION No. 000235N/N500089

ABHINAV  
 KHOSLA

Digitally signed by ABHINAV KHOSLA  
 DN: cn=Personal, o=SCV & Co. LLP, ou=Chartered Accountants, email=abhinav.khosla@scvllp.com, c=IN, postalCode=110019, st=DELHI, serialNumber=195abbb23d376d91a0b690940a2076c028da93e80b26ac580511684173522ba6b, cn=ABHINAV KHOSLA  
 Date: 2020.06.26 13:33:02 +05'30'

( ABHINAV KHOSLA )  
 PARTNER  
 MEMBERSHIP No. 087010  
 ICAI UDIN: 20087010AAAABI9315

PLACE: New Delhi  
 DATED: 26<sup>th</sup> June, 2020

## ISGEC HEAVY ENGINEERING LIMITED

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

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## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31.03.2020

## A. Statement of Financial Result

(₹ in lakhs except earnings per share)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
				(Refer note 2)		(Refer note 2)
I	Revenue from operations	1,54,145	1,68,572	1,58,916	5,85,215	5,05,066
II	Other Income	1,868	2,911	1,481	6,198	6,876
III	<b>Total Income (I+II)</b>	<b>1,56,013</b>	<b>1,71,483</b>	<b>1,60,397</b>	<b>5,91,413</b>	<b>5,11,942</b>
IV	<b>Expenses :</b>					
	(a) Cost of materials consumed	45,752	29,534	58,767	1,40,165	1,50,317
	(b) Purchase of stock-in-trade	61,716	58,332	66,863	2,15,000	1,81,158
	(c) Erection & commissioning expenses	22,191	18,820	14,872	76,914	44,889
	(d) Change in inventories of finished goods and work-in-progress (Increase)/decrease	(14,012)	18,968	(26,399)	(6,084)	(20,379)
	(e) Employee benefits expense	11,442	10,764	10,709	42,197	37,549
	(f) Finance costs	1,423	972	695	4,114	2,555
	(g) Depreciation and amortisation expense	2,693	2,610	2,309	9,903	8,248
	(h) Other expenses	21,849	22,891	26,404	87,555	84,911
	<b>Total expenses (IV)</b>	<b>1,53,054</b>	<b>1,62,891</b>	<b>1,54,220</b>	<b>5,69,764</b>	<b>4,89,248</b>
V	<b>Profit/(loss) before share of an associate and exceptional items (III - IV)</b>	<b>2,959</b>	<b>8,592</b>	<b>6,177</b>	<b>21,649</b>	<b>22,694</b>
VI	Share of profit/(loss) of an associate	(4)	14	-	10	-
VII	<b>Profit/(loss) before tax (V+VI)</b>	<b>2,955</b>	<b>8,606</b>	<b>6,177</b>	<b>21,659</b>	<b>22,694</b>
VIII	Tax expense of continuing operations					
	a) Current Tax	1,093	2,496	2,155	7,070	8,713
	b) Deferred Tax	525	(274)	153	(484)	(421)
IX	<b>Profit/(loss) for the period (VII-VIII)</b>	<b>1,337</b>	<b>6,384</b>	<b>3,869</b>	<b>15,073</b>	<b>14,402</b>
X	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or loss	(152)	5	(37)	(106)	(208)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	47	(2)	(24)	50	(41)
	B (i) Items that will be reclassified to profit or loss	1,798	38	5	1,743	(173)
XI	<b>Total Comprehensive Income (IX+X)</b>	<b>3,030</b>	<b>6,425</b>	<b>3,813</b>	<b>16,760</b>	<b>13,980</b>
	<b>Profit for the period</b>	<b>1,337</b>	<b>6,384</b>	<b>3,869</b>	<b>15,073</b>	<b>14,402</b>
	<b>Attributable to:</b>					
	Owners of the parent	1,429	5,872	3,943	14,642	14,277
	Non-controlling interests	(92)	512	(74)	431	125
	<b>Other comprehensive income for the period</b>	<b>1,693</b>	<b>41</b>	<b>(56)</b>	<b>1,687</b>	<b>(422)</b>
	<b>Attributable to:</b>					
	Owners of the parent	1,706	41	(60)	1,700	(426)
	Non-controlling interests	(13)	-	4	(13)	4
	<b>Total comprehensive income of the period:</b>	<b>3,030</b>	<b>6,425</b>	<b>3,813</b>	<b>16,760</b>	<b>13,980</b>
	<b>Attributable to:</b>					
	Owners of the parent	3,135	5,913	3,883	16,342	13,851
	Non-controlling interests	(105)	512	(70)	418	129
XII	Paid up equity share capital (Face Value of the equity share ₹ 1/- each)	735	735	735	735	735
XIII	Reserve excluding Revaluation Reserves	-	-	-	1,87,393	1,50,785
XIV	<b>Earnings Per Equity Share of ₹ 1/- each (not annualised)</b>					
	(a) Basic (in ₹)	1.94	7.98	5.36	19.91	19.42
	(b) Diluted (in ₹)	1.94	7.98	5.36	19.91	19.42



## B. Statement of Assets and Liabilities

16

(₹ in lakhs)

Particulars	As at	
	31.03.2020	31.03.2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	70,437	67,181
(b) Right-of-use assets	5,513	-
(c) Capital work - in - progress	78,925	1,875
(d) Goodwill	2,125	2,092
(e) Other intangible assets	4,688	5,581
(f) Biological assets other than bearer plants	413	-
(g) Investments accounted for using equity method	1,019	-
(h) Financial assets		
(i) Investments	-	1
(ii) Loans	1,292	1,220
(iii) Trade receivables	9,236	4,398
(iv) Other financial assets	1,708	1,549
(i) Deferred tax assets (net)	1,642	681
(j) Other non - current assets	1,267	613
<b>Sub Total - Non Current Assets</b>	<b>1,78,265</b>	<b>85,191</b>
<b>(2) Current assets</b>		
(a) Inventories	1,19,647	1,20,873
(b) Financial assets		
(i) Investments	8,199	15,546
(ii) Trade receivables	1,79,309	1,89,274
(iii) Cash and cash equivalents	17,973	10,844
(iv) Bank balances other than (iii) above	3,463	3,194
(v) Loans	1,953	2,002
(vi) Other financial assets	6,915	2,689
(c) Current tax assets	373	736
(d) Other current assets	87,245	82,478
<b>Sub Total - Current Assets</b>	<b>4,25,077</b>	<b>4,27,636</b>
<b>Total Assets</b>	<b>6,03,342</b>	<b>5,12,827</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	735	735
(b) Other equity	1,87,393	1,50,785
<b>Equity attributable to owners of Parent</b>	<b>1,88,128</b>	<b>1,51,520</b>
<b>Non Controlling Interest</b>	<b>5,403</b>	<b>7,165</b>
<b>Total equity</b>	<b>1,93,531</b>	<b>1,58,685</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	38,594	5,598
(ii) Lease liabilities	2,702	-
(iii) Other financial liabilities	162	176
(b) Provisions	6,841	6,926
(c) Deferred tax liabilities (net)	1,797	768
(d) Other non - current liabilities	18,649	25,483
<b>Sub Total - Non Current Liabilities</b>	<b>68,745</b>	<b>38,951</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	55,232	24,772
(ii) Lease liabilities	520	-
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small	1,659	1,139
- Total outstanding dues of creditors other than micro	1,39,210	1,47,090
(iv) Other financial liabilities	11,919	11,225
(b) Other Current liabilities	1,19,947	1,19,861
(c) Provisions	12,577	10,362
(d) Current tax liabilities (net)	2	742
<b>Sub Total - Current Liabilities</b>	<b>3,41,066</b>	<b>3,15,191</b>
<b>Total Equity &amp; Liabilities</b>	<b>6,03,342</b>	<b>5,12,827</b>





(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	21,659	22,694
<b>Adjustments :</b>		
Depreciation and amortization expenses	9,903	8,248
(Profit)/Loss on diminution in value of stores and investments	10	8
(Gain) / Loss on disposal of property, plant and equipment	51	325
(Gain) / loss on sale of financial instruments	(369)	(1,795)
Change in fair value of financial instruments(investment)	(243)	(825)
Income from investments - dividends	-	(2)
Adjustment of expected credit loss	24	1,111
Liability no longer required written back	(1,368)	(2,262)
Interest income	(573)	(1,253)
Finance /Interest costs	4,114	2,555
Unrealised foreign exchange (gain)/ Loss	(3,489)	67
Adjustment due to discounting in warranty provision	75	95
<b>Cash flow before working capital adjustments</b>	<b>29,794</b>	<b>28,966</b>
<b>Working capital adjustments</b>		
Increase/(decrease) in trade receivables	8,978	(75,879)
(Increase)/decrease in current financial assets	(8,905)	(31,162)
(Increase)/decrease in inventories	1,277	(36,743)
Increase/(decrease) in financial liabilities	(15,542)	1,02,364
Increase/(decrease) in provision /other payables	1,923	(2,345)
<b>Cash flow after working capital requirements</b>	<b>17,525</b>	<b>(14,799)</b>
Income Tax paid (net of refund)	(7,204)	(8,964)
<b>Net cash from operating activities</b>	<b>10,321</b>	<b>(23,763)</b>
<b>B Cash flow from Investing activities</b>		
Proceeds from sale of property, plant and equipment	461	82
Purchase of property, plant and equipment including capital work-in-progress	(43,866)	(12,043)
Payment towards acquisition of business, net of cash acquired	38	(4,664)
Purchase of intangible assets	(307)	(539)
Sale /(Purchase) of equity shares / mutual funds	7,959	23,979
Proceeds from sale of financial instruments	(160)	(1,160)
Interest income received	556	1,357
Dividend received	-	2
<b>Net cash flow from / (used in) investing activities</b>	<b>(35,319)</b>	<b>7,014</b>
<b>C Cash flow from Financing activities</b>		
Dividend paid on equity shares	(2,671)	(532)
Dividend tax paid	(554)	(101)
Payments for lease liability	(461)	-
Finance / Interest cost - long term / short term	(3,778)	(2,998)
Proceeds/( repayment) from borrowings	38,450	12,961
<b>Net cash flow from / (used in) financing activities</b>	<b>30,986</b>	<b>9,330</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,988	(7,419)
Cash and cash equivalents at the beginning of the year	10,844	17,968
Effect of Foreign currency translation	1,141	295
<b>Cash and cash equivalents at the end of the year</b>	<b>17,973</b>	<b>10,844</b>
<b>Components of cash and cash equivalents</b>		
Cash, Cheques & Drafts on hand	14	57
Balance with Scheduled Banks	16,756	8,138
Bank term deposits	1,203	2,649
<b>Cash and cash equivalents</b>	<b>17,973</b>	<b>10,844</b>



**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 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			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	<b>Segment Revenue</b>					
	a) Manufacturing of Machinery & Equipment	35,127	55,882	40,439	1,61,258	1,55,236
	b) Engineering, Procurement and Construction	1,09,980	1,03,112	1,12,989	3,92,901	3,23,783
	c) Sugar	15,425	16,105	14,307	55,450	55,830
	d) Plant under construction	389	-	-	389	-
	e) Unallocated	(7)	30	3	28	17
	<b>Total</b>	<b>1,60,914</b>	<b>1,75,129</b>	<b>1,67,738</b>	<b>6,10,026</b>	<b>5,34,866</b>
	Less: Inter segment Revenue	6,769	6,557	8,822	24,811	29,800
	<b>Net Sales/Income from Operations</b>	<b>1,54,145</b>	<b>1,68,572</b>	<b>1,58,916</b>	<b>5,85,215</b>	<b>5,05,066</b>
II	<b>Segment Results (Profit+)/Loss(-) before tax and interest from each segment)</b>					
	a) Manufacturing of Machinery & Equipment	(1,050)	4,262	3,600	8,441	14,269
	b) Engineering, Procurement and Construction	4,635	4,282	3,062	15,162	11,823
	c) Sugar	1,632	1,401	770	4,830	1,997
	d) Plant under construction	(414)	-	-	(414)	-
	e) Unallocated	(348)	(224)	168	(1,230)	756
	<b>Total</b>	<b>4,455</b>	<b>9,721</b>	<b>7,600</b>	<b>26,789</b>	<b>28,845</b>
	Less: i) Interest expense	1,288	903	627	3,794	2,284
	ii) Inter segment Interest	212	212	796	1,336	3,867
	<b>Total Profit Before Tax</b>	<b>2,955</b>	<b>8,606</b>	<b>6,177</b>	<b>21,659</b>	<b>22,694</b>
	Inter Segment result have been arrived at after considering inter segment interest income.					
					<b>As at</b>	<b>As at</b>
					<b>31.03.2020</b>	<b>31.03.2019</b>
					<b>(Audited)</b>	<b>(Audited)</b>
III	<b>Segment Assets</b>					
	a) Manufacturing of Machinery & Equipment				1,66,781	1,68,268
	b) Engineering, Procurement and Construction				2,89,813	2,97,672
	c) Sugar				62,133	53,414
	d) Plant under construction				84,982	-
	e) Unallocated Corporate assets				90,026	52,133
	<b>Total</b>				<b>6,93,735</b>	<b>5,71,487</b>
	Less: Inter segment assets				90,393	58,660
	<b>Total Assets</b>				<b>6,03,342</b>	<b>5,12,827</b>
IV	<b>Segment Liabilities</b>					
	a) Manufacturing of Machinery & Equipment				1,34,380	1,28,503
	b) Engineering, Procurement and Construction				2,27,457	2,42,014
	c) Sugar				39,043	31,953
	d) Plant under construction				62,754	-
	e) Unallocated Corporate Liabilities				36,570	10,332
	<b>Total</b>				<b>5,00,204</b>	<b>4,12,802</b>
	Less: Inter segment Liabilities				90,393	58,660
	<b>Total Liabilities</b>				<b>4,09,811</b>	<b>3,54,142</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 June 26, 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. 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 March 31, 2019 are approved by the Board of Directors of the Company and are the balancing figure between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the previous financial year. The consolidated annual financial results for the quarter ended 31st March, 2020 are the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by the statutory auditors.
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 had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the quarter ended September 30, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended March 31, 2020 and quarter ended March 31, 2020 and December 31, 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 year ended March 31, 2020.
5. The Board of Directors has declared and paid an interim dividend of ₹ 2/- (200%) per equity share of the face value of ₹ 1/- each for the financial year 2019-20 at its meeting held on February 12, 2020. In view of uncertain financial impact of Covid-19 on the Company and the requirement of funds, the Board of Directors have not recommended any final dividend.
6. 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 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 ₹ 1540 Lakhs and a lease liability of ₹ 1507 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 ₹ 90 Lakhs and ₹ 83 Lakhs respectively for the quarter ended March 31, 2020 and ₹ 333 Lakhs and ₹ 174 Lakhs respectively for the year ended March 31, 2020 and decrease in lease rent cost of ₹ 114 Lakhs for the quarter ended March 31, 2020 and ₹ 380 Lakhs for the year ended March 31, 2020.
7. (a) The company had 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.  
(b) Further, in the results for the quarter ended December 31, 2019, published on February 12, 2020, the Company had informed that:  
"(i) The Company is making efforts to sell CBPI and all its assets and liabilities and group companies (the "Disposal group"), in order to recover the amounts due to it;  
(ii) This Disposal group has been classified as Held for sale, and accounted in Consolidated Financial Statements accordingly under the Head - Discontinued Operations."  
(c) The Company has been in talks for sale with various parties but these could not progress further due to Covid-19, which has been ruling over South East Asia for the last several months. In view of this, the sale is unlikely to be completed within one year from the date of acquisition as required in paragraph 8 of Ind AS 105.  
(d) Hence, this group of assets and liabilities are no longer classified as "Held for Sale" and have now been consolidated as subsidiaries in accordance with Ind AS 110 in the Consolidated Financial Statements.  
(e) Initial accounting for acquisition of CBPI to be done as per fair value prescribed under Ind AS 103 "Business Combinations" is under progress and therefore, as permitted by para 45 of Ind AS 103, book value of assets and liabilities has been considered in accounting in the financial results for the quarter ended December 31, 2019 and March 31, 2020 and year ended March 31, 2020.
8. Impact of Covid-19  
(a) The Company has evaluated the impact of Covid-19 resulting from (i) the possibility of constraints to fulfill its contractual obligations with customers; (ii) effect on costs to complete the contracts; (iii) deferment of orders by customers. The Company has concluded that the impact of Covid-19 is not material on long term basis. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.  
(b) The Company has considered, on the basis of internal and external sources of information, the possible effects on the recoverability of receivables including unbilled receivables, contracts-in-progress and contract costs, investments and other financial assets. The Company, as on date, expects that the carrying amount of these assets will be recovered.
9. In terms of SEBI Circular CIR/CFD/CMD/56//2016 dated 27 May, 2016 the Company hereby declares that the auditors have issued audit report for consolidated financial results with unmodified opinion for the year ended March 31, 2020.



Date : June 26, 2020  
Place: Noida

FOR ISGEC HEAVY ENGINEERING LIMITED

ADITYA  
PURI

(ADITYA PURI)

MANAGING DIRECTOR

Digitally signed by  
ADITYA PURI  
Date: 2020.06.26  
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