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Ho-425-S

Dated: 09.02.2019

Manager – Department of Corporate Services,
Bombay Stock Exchange Ltd.,
Registered Office: Floor 25,
P J Towers, Dalal Street,
Mumbai 400 001

Dear Sir/Madam,

**Furnishing of Information as per
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Scrip Code : 533033, Scrip Id: ISGEC**

Sub: Outcome of the Board Meeting

1. In terms of Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular bearing no. CIR/CFD/CMD/4/2015 dated September 09, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. February 09, 2019 at 11:00 a.m. has inter-alia, considered and approved the following businesses:

(A) Unaudited Standalone Financial Results:

Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2018. These results were subjected to a Limited Review by the Statutory Auditors of the Company. A copy of the Unaudited Standalone Financial Results along with Limited Review Report given by the Statutory Auditors which was placed before the Board of Directors is enclosed as Annexure-I;

(B) Declaration of Interim Dividend and Fixation of Record Date:

- (i) Declaration of Interim Dividend of Rs. 5/- per equity share of Rs. 10/- each. In compliance with Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the record date fixed is February 20, 2019 for the purpose of payment of Interim Dividend.
- (ii) Interim Dividend shall be paid on or before March 11, 2019.
- (iii) The payment of Interim Dividend, declared by the Board of Directors, will be made to the Members whose names stand on the Company's Register of Members on the closure of business hours on February 20, 2019 and to the Beneficiary

Holders as per the Beneficiary List on the closure of business hours on February 20, 2019 provided by National Securities and Depository Limited and Central Depository Services (India) Limited.

- (iv) We further agree to ensure that the time gap between the two record dates will be at least 30 days.

(C) Sub-Division of Equity Shares subject to the approval of the Shareholders by Postal Ballot Process:

- (i) Sub-division of One Equity Share of face value of Rs. 10 each into Ten Equity Shares of face value Re. 1 each, details are given in Annexure-II;
- (ii) Alteration of the Authorised Share Capital of the Company as a result of sub-division of the equity share and further alteration in capital clause of Memorandum of Association.

(D) Appointment of Additional Independent Director:

Appointment of Ms. Shivani Hazari (DIN: 00694121) as an Additional Independent Director on the Board of the Company w.e.f. February 09, 2019, details are given in Annexure-III.

(E) Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018:

- (i) Revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The same is published on our official website and enclosed as Annexure-IV.
- (ii) Revised Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

(F) Notice of Postal Ballot:

The Board authorized Company Secretary to issue Notice of Postal Ballot for seeking approval of the Shareholders on the following items:

- (i) Continuation of the directorship of Mr. Vinod Kumar Sachdeva, Non-Executive, Independent Director of the Company, who has attained the age of 75 years;
- (ii) Continuation of the directorship of Mr. Ranjit Puri, Non-Executive Chairman of the Company, who has attained the age of 75 years;
- (iii) Appointment of Ms. Shivani Hazari as an Independent Director;

- (iv) Approval of remuneration of Mr. Aditya Puri, Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment;
- (v) Approval of remuneration of Mrs. Nina Puri, Whole Time Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of her appointment;
- (vi) Approval for Sub-Division of Equity Shares of the Company;
- (vii) Approval for Alteration in Capital Clause of Memorandum of Association of the Company.

The meeting of the Board of Directors was concluded at ..07:45.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: Annexure-I to IV

ISGEC HEAVY ENGINEERING LIMITED

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

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

A Statement of Financial Result

All figures in Rs. Lakhs except earning per share

Sl. No.	Particulars (Refer Notes Below)	Quarter ended			Nine Months ended		Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
I	Revenue from Operations (Refer note 3)	1,05,254	1,00,571	66,281	2,77,244	1,79,650	2,61,537
II	Other Income	1,061	1,206	753	2,995	6,287	7,234
III	Total Income (I+II)	1,06,315	1,01,777	67,034	2,80,239	1,85,937	2,68,771
IV	Expenses :						
	(a) Cost of materials consumed	18,987	15,130	14,861	49,008	39,566	53,499
	(b) Purchase of stock-in-trade	48,633	46,357	16,810	1,13,646	50,437	72,763
	(c) Erection & commissioning expenses	13,092	11,383	8,602	30,160	27,779	32,412
	(d) Change in inventories of finished goods, work-in-progress and stock-in-trade (Increase)/decrease	(4,812)	(2,527)	576	(4,355)	(10,625)	(2,680)
	(e) Employee benefits expense	7,508	6,868	6,570	21,295	19,788	27,781
	(f) Finance costs	677	328	164	1,123	531	712
	(g) Depreciation and amortisation expense	1,655	1,594	1,603	4,796	4,798	6,715
	(h) Other expenses	14,772	18,205	13,467	49,606	40,498	60,776
	Total expenses (IV)	1,00,512	97,338	62,653	2,65,279	1,72,772	2,51,978
V	Profit/(Loss) before exceptional items and tax (III-IV)	5,803	4,439	4,381	14,960	13,165	16,793
VI	Exceptional items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V+VI)	5,803	4,439	4,381	14,960	13,165	16,793
VIII	Tax expense:						
	a) Current Tax	2,348	1,955	1,778	6,053	4,520	5,577
	b) Deferred Tax	(276)	(396)	(341)	(799)	(591)	(682)
IX	Profit/(Loss) for the period (VII-VIII)	3,731	2,880	2,944	9,706	9,236	11,898
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	16	16	(12)	48	(39)	177
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(6)	(6)	4	(18)	13	(62)
	B (i) Items that will be reclassified to profit or loss						
	(ii) Income tax relating to items that will be reclassified to profit or loss						
XI	Total Comprehensive Income for the period (IX+X)	3,741	2,890	2,936	9,736	9,210	12,013
XII	Paid up equity share capital (Face Value of the equity share Rs.10/- each)	735	735	735	735	735	735
XIII	Other equity excluding revaluation reserve						1,21,549
XIV	Earnings Per Share (of Rs. 10 /- each) (not annualised)						
	(a) Basic (in Rs.)	50.74	39.17	40.04	132.01	125.61	161.81
	(b) Diluted (in Rs.)	50.74	39.17	40.04	132.01	125.61	161.81

B Segment Information

Effective from 1st April, 2018, Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

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

The composition of the Segments, to enable the aforesaid objective consists of:

Manufacturing of Machinery and 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, Building and Factories.

The Segments reported are as per Ind AS 108 "Operating Segments" read with SEBI Circular dated 5th July, 2016. The identification of Operating Segments is consistent with performance assessment going forward by the Management.

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

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

(Rs. In Lakhs)							
Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Segment Revenue						
	a) Manufacturing of Machinery & Equipment	28,985	26,372	31,724	88,347	74,904	1,06,742
	b) Engineering, Procurement and Construction	84,762	80,735	38,716	2,09,456	1,16,045	1,72,048
	c) Unallocated	9	0	0	14	0	24
	Total	1,13,756	1,07,107	70,440	2,97,817	1,90,949	2,78,814
	Less: Inter segment Revenue	8,502	6,536	4,159	20,573	11,299	17,277
	Net Sales/Income from Operations	1,05,254	1,00,571	66,281	2,77,244	1,79,650	2,61,537
II	Segment Results (Profit+)/Loss(-) before tax and interest from each segment						
	a) Manufacturing of Machinery & Equipment	2,943	2,870	4,248	9,800	10,422	12,937
	b) Engineering, Procurement and Construction	4,080	2,851	1,531	8,662	4,158	6,277
	c) Unallocated	307	125	162	582	3,795	3970
	Total	7,330	5,846	5,941	19,044	18,375	23,184
	Less: i) Interest	626	328	164	1,013	491	571
	ii) Inter segment Interest	901	1,079	1,396	3,071	4,719	5,820
	Total Profit before tax	5,803	4,439	4,381	14,960	13,165	16,793
	Inter Segment result have been arrived at after considering inter segment interest income.						
		As at	As at	As at	As at		
		31.12.2018	30.09.2018	31.12.2017	31.03.2018		
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
III	Segment Assets						
	a) Manufacturing of Machinery & Equipment	1,15,241	1,09,002	1,03,669	1,07,156		
	b) Engineering, Procurement and Construction	2,86,151	2,74,703	2,19,079	2,24,837		
	c) Unallocated Corporate assets	59,990	67,928	83,113	77,004		
	Total	4,61,382	4,51,633	4,05,861	4,08,997		
	Less: Inter segment assets	54,195	60,910	80,189	76,118		
	Total assets	4,07,187	3,90,723	3,25,672	3,32,879		
IV	Segment Liabilities						
	a) Manufacturing of Machinery & Equipment	94,570	89,919	87,410	89,656		
	b) Engineering, Procurement and Construction	2,31,162	2,20,556	1,65,279	1,70,146		
	c) Unallocated Corporate Liabilities	3,612	12,879	32,528	26,911		
	Total	3,29,344	3,23,354	2,85,217	2,86,713		
	Less: Inter segment Liabilities	54,195	60,910	80,189	76,118		
	Total Liabilities	2,75,149	2,62,444	2,05,028	2,10,595		

Notes:

1. 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 and as amended thereafter.
2. In accordance with the requirement of Ind AS, revenue from operations upto 31st December, 2018 is net of Goods and Service Tax (GST). However, revenue from operations for the period upto 30th June, 2017 is inclusive of excise duty. Accordingly revenue from operations for the nine months ended 31st December, 2018 and for the year ended 31st March, 2018 are strictly not comparable with the current period numbers.
3. The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective from April 1, 2018. The adoption of Ind AS 115 by the Company, effective from 1st April, 2018, has no significant impact on the financial results.
4. The Company has stated as under in audited results published for year ended 31st March, 2018:

"(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 Rs.134 crores and wrongly terminated the contract, and also claimed damages.

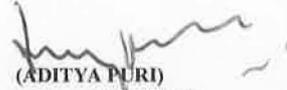
(b) The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.

(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 9-10 months for completion. There is no other change till date.
5. The Board of Directors of the Company have declared an interim dividend of Rs. 5/- per equity share of Rs. 10/- each. The record date for the purpose of dividend is 20th February 2019.
6. Figures for the previous period have been regrouped / reclassified to conform to the figures for the current period.
7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 9th February, 2019 and have been subjected to Limited Review by the Statutory Auditors.

FOR ISGEC HEAVY ENGINEERING LIMITED

Date : 9th February, 2019
Place: Noida


(ADITYA PURI)
MANAGING DIRECTOR

Independent Auditor's Limited Review Report

To the Board of Directors,
Isgec Heavy Engineering Limited

Introduction

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ("the Statement") of **Isgec Heavy Engineering Limited** ("the Company") for the quarter and nine months ended 31st December, 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/ 62/2016 dated 05th July, 2016.

This Statement which is the responsibility of the Company's Management and has been approved by the 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 issue a report on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of Standalone Unaudited Financial Results, prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Offices

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Emphasis of Matter

We draw attention to Note 4 to the accompanying Statement of Standalone Unaudited Financial Result which describes the nature and expected outcome with respect to the ongoing litigation regarding the Bio-refinery project in Philippines. Our opinion is not modified in respect of this matter.

For SCV & Co. LLP
(formerly known as SC Vasudeva & Co.)
Chartered Accountants
Firm Registration No.
00235N/N500089



Abhinav Khosla

(Abhinav Khosla)

Partner

Membership No. 087010

Place: Noida

Dated : 9th February, 2019

Annexure-II

Sub-Division of Equity Shares

1.	Split Ratio	One Equity Share of face value of Rs. 10 each will be split into Ten Equity Shares of face value Re. 1 each																																
2.	Rationale behind the split	In order to improve the liquidity of the Company's equity shares in the stock market with higher floating stock in absolute numbers.																																
3.	Pre and Post Share Capital	Based on the ratio of split of share, the share capital of the Company pre and Post are as follows: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th colspan="4">Present Capital Structure</th> </tr> <tr> <th>Particulars</th> <th>No. of equity Shares</th> <th>Face Value (in Rs.)</th> <th>Total (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Authorized Share Capital</td> <td>85,00,000</td> <td>10</td> <td>8,50,00,000</td> </tr> <tr> <td>Issued, Subscribed and Paid up Share Capital</td> <td>73,52,951</td> <td>10</td> <td>7,35,29,510</td> </tr> </tbody> </table> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th colspan="4">Proposed Capital Structure</th> </tr> <tr> <th>Particulars</th> <th>No. of equity Shares</th> <th>Face Value (in Re.)</th> <th>Total (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Authorized Share Capital</td> <td>8,50,00,000</td> <td>1</td> <td>8,50,00,000</td> </tr> <tr> <td>Issued, Subscribed and Paid up Share Capital</td> <td>7,35,29,510</td> <td>1</td> <td>7,35,29,510</td> </tr> </tbody> </table>	Present Capital Structure				Particulars	No. of equity Shares	Face Value (in Rs.)	Total (in Rs.)	Authorized Share Capital	85,00,000	10	8,50,00,000	Issued, Subscribed and Paid up Share Capital	73,52,951	10	7,35,29,510	Proposed Capital Structure				Particulars	No. of equity Shares	Face Value (in Re.)	Total (in Rs.)	Authorized Share Capital	8,50,00,000	1	8,50,00,000	Issued, Subscribed and Paid up Share Capital	7,35,29,510	1	7,35,29,510
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4.	Expected Time of Completion	March 31, 2019, subject to the requisite approvals from Government authorities.																																
5.	Class of shares which are Sub-divided	Equity Shares																																
6.	Number of equity shares of each class pre and post-split	As details given in serial no.3 above.																																
7.	Number of shareholders who will not get any shares in consolidation and their pre-consolidation shareholding	Not Applicable																																

<u>Appointment of Additional Independent Director</u>	
Reason for change	Appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018.
Date of appointment & Term of appointment	February 09, 2019 The Board of Directors appointed Ms. Shivani Hazari as an Additional Independent Director to hold office until the conclusion of Annual General Meeting to be held in year 2023 to consider the Accounts for the financial year March 31, 2023 subject to the approval of Shareholders through Postal Ballot Process.
Brief Profile	<p>Ms. Shivani Hazari is having 25 years of experience in various fields including executive search, interim consulting and talent advisory services. She is Managing Director of Sheffield Haworth International since 2012, which is a privately owned, global executive search firm headquartered in London.</p> <p>From 2006-2012, She worked with EWK International (Formerly AT Kearney Executive Search Consulting), a global human capital consulting firm with offices in the Europe, US, Middle East, India, China, Australia and South East Asia.</p> <p>From 1993-2005, She worked with Korn Ferry International - Middle East Senior Research Consultant, New Delhi & Dubai, Pipal Research Senior Research Associate, New Delhi, Leading provider of customized business research, founded by professionals from leading consulting and research firms, headquartered in Chicago, US, Egon Zehnder International Leading global executive search firm, Head of Research, Financial Services Practice Group, India, Research Associate, New Delhi, Ascend Exports Pvt. Ltd., New Delhi, Core Lease Finance Pvt. Ltd., New Delhi and Deutsche Bank, New Delhi.</p> <p>She started her career in year 1993 in the Corporate Banking division of Deutsche Bank.</p>
Disclosure of relationship between directors	Nil

Annexure-IV

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

(As per Regulation 8(1) of the Securities and Exchange Board of India (**Prohibition of Insider Trading**) Regulations, 2015 ("**Regulations**") read with Schedule A of the Regulations.)

1. The Company shall promptly disclose **Unpublished Price Sensitive Information (UPSI)** that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The disclosure shall be uniform and shall ensure universal dissemination of **unpublished price sensitive information** to avoid selective disclosure.
3. The Company shall promptly disseminate **unpublished price sensitive information** that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
4. The Company shall give appropriate and fair response to the queries on news reports and requests for verification of market rumors by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not **unpublished price sensitive information**.
6. The Company will make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. The Company will handle all **unpublished price sensitive information** on a need-to-know basis.
8. Legitimate Purposes:

Legitimate purposes shall mean sharing of **UPSI** in the ordinary course of business with banks, auditors, legal advisors and professionals provided that such sharing has not been carried out to evade or circumvent the prohibitions of these Regulations.
9. A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purposes.
10. Any person in receipt of **unpublished price sensitive information** pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of Regulations and such persons are also required to ensure the confidentiality of **unpublished price sensitive information** shared with them, in compliance with Regulations.
11. Mr. S. K. Khorana, Executive Director & Company Secretary is designated as Chief Investor Relations Officer (CIO) of the Company, to deal with dissemination of information and disclosure of **UPSI**.