



ISGEC HEAVY ENGINEERING LIMITED

Transcription of the 91st Annual General Meeting held on Wednesday, 28th August, 2024 at 11:00 AM (IST)

Sachin Saluja:

Good morning, everyone.

I am Sachin Saluja, company secretary of Isgpec Heavy Engineering, Limited. I welcome all the participants in this 91st annual general meeting of the Company. Hope you and your family are in healthy state. 67 members have joined us in this AGM so far. Requisite quorum being present, the meeting is therefore called to order.

In accordance with the provisions of the Companies Act 2013 and circular issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice of this AGM, along with annual audited financial statements and other reports were sent to the shareholders through email. This year, the AGM is being organized virtually through the platform provided by the National Securities Depository Limited as permitted.

Before I request our chairman sir to welcome all the shareholders, directors, auditors and other participants, I would like to announce few points. As stated in the notice of AGM, members seeking information with regard to accounts or any other matter placed at the AGM were requested to write to the Company on or before August 14, 2024 through email. As on date, there is no such mail pending with the Company.

During the AGM, the facility to raise questions will be available for all participants through query box, answers against which will be given after the speech of Managing Director. Now I request Mr. Ranjit Puri, our Chairman, sir, to take the proceeding forward. Over to you sir.

Mr. Ranjit Puri:

Namaskar, shareholders, good morning. Welcome to this general meeting of Isgpec heavy engineering.

We have a good participation today. We seem to have much more participation by video than we have in physical meetings. I know some of you missed the physical meeting, but this seems to be more convenient for most shareholders. We are following the rules, we are complying with the, whatever has been told to us by the Ministry of Corporate Affairs and SEBI about the rules to hold the AGM virtually, okay.

Now Sachin has already informed you that the quorum is present, so we'll carry on. We have with us the board of directors, and I'm going to introduce them one by one. We'll start with Vishal Marwaha, will you raise your hand, please, Vishal. He is the chairman of the Audit Committees. Then we have Siddharth Prasad, who is the chairman of the Nomination & Remuneration Committee and the Risk Management Committee. We have Arvind Sagar, who is a member of the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship and Grievance Committee and the Share Transfer Committee. Then we have Rashi Sikka, who is a member of the Stakeholder Relationship and Grievance Committee and Share Transfer Committee.

We have Aditya Puri, Managing Director.

We have two full time directors, Kishore Chatnani, who is also the Chief Finance Officer, and Sanjay Gulati, who is the head of the manufacturing units.

We have with us also today, the Statutory Auditor, Mr. Abhinav Khosla, representing SCV & Co.

We have Mr. Neeraj Sharma, the Cost Auditor, and we have Mr. Pramod Sharma, sorry, I beg your pardon Pramod Kothari, the Secretary Auditor. They also joined the meeting.



The ground rules for the meeting have already been explained. You have not been issues proxy forms because proxies are not required, are not applicable for virtual meeting. So there is no Proxy forms, there is no proxy register. All other registers are available and Sachin will be happy to make them available to you. You have not asked as Sachin has just said, ask for any information in advance of this AGM, but if you need any information about the Company, please don't hesitate to ask Sachin or the Managing Director. We try not to be very secretive about these things, and we'll be happy to give you any information that you know, that legitimate information that you may want.

Now I need to tell you that resolutions will not need to be proposed. They will not need to be seconded. So I need to tell you, and I mean, you know this already, but I need to repeat that evoking was available to you for two days from the 25th August at nine o'clock until five o'clock yesterday. Most of you must have voted already. In case you have not, there's a 15 minute window at the end of this meeting, and you can vote then. I need, I need, hardly tell you, please don't vote twice.

We have received clean reports from Auditors, clean opinions from Chartered Accountant, SCV & Co, and from Mr. Pramod Kothari, the Secretary Auditor. The law requires that if these reports have qualifications or observations or comments, then they are required to be read at this AGM. Since there are no such comments, these reports will not be read. I will now ask, Oh, by the way, for those of you who are interacting for the first time, I am the Chairman of the meeting, I should have introduced myself. I will now ask Aditya Puri to tell you what the working of the Company.

Thank you

Aditya Puri

A very good morning to all our shareholders, ladies and gentlemen, we warmly welcome you to the annual general meeting of the Company, and I want to extend my heartfelt thanks for your continued trust and support in our journey together. I hope all of you and your loved ones are safe and healthy.

This is the fifth annual general meeting that is being conducted through video conferencing. We see one of the benefits of having the AGM through video conferencing is that shareholders across the country can join conveniently.

Before we proceed, I would like to take a moment to acknowledge the hard work and dedication of our entire team, their relentless efforts and commitment have been the backbone of our success. I would also like to express my gratitude to the board of directors for their guidance and to our shareholders for your unwavering confidence in us.

Performance for the Financial Year 2023-24

The financial year 2023-2024 has been satisfactory. The consolidated revenue was marginally lower, however, the profit before tax has increased substantially. The consolidated revenue for the year FY 24 is at Rupees 6245 Crores compared to Rupees 6412 Crores for FY 23 that is lowered by about 2.6%. The consolidated profit before tax for the year FY 24 is Rupees 354 Crores compared to Rupees 290 Crores for FY 23 that is higher by 22%.

I'm happy to report that the consolidated borrowing position has been reduced considerably. The Consolidated net borrowing has reduced to Rupees 5182 Crores as on 31st March 2024, as compared to a net borrowing of Rupees 973 Crores as at 31/03/2023, that is lower by 40%.

The orders in hand position is comfortable. Consolidated orders in hand as at the 31st March 2024 is Rupees 7905 Crores.





ISGEC HEAVY ENGINEERING LTD.

A-4, Sector-24,
Noida - 201 301 (U.P.) India
(GST No.: 09AAACT5540K2Z4)
Tel.: +91-120-4085000 / 01 / 02
Fax: +91-120-2412250
E-mail: corpcomm@isgec.com
www.isgec.com

Of the consolidated order book, 71% is for Project business, and 29% is for manufacturing business. The order book includes Rupees 1047 Crores for international orders, which is about 13%.

The order book is well diversified across various sectors and customers. The Indian economy is poised for rapid growth for the next few years, with significant investments coming up in almost all our customer industries, including power, sugar, steel, cement, oil and gas, petrochemicals, fertilizers and railways.

Isgec is in a favorable position to supply products and services and participate in India's growth story. We have seen good demand from both public sector companies in India, as well as Indian private sector companies, and the current inquiry position continues to be robust.

Export inquiries have also picked up. We have been making capital investments to increase the manufacturing capacities of almost all our product lines in the manufacturing segment, and will continue to make further investments to increase the revenue in this segment over the next few years.

The manufacturing capacity has been enhanced by installing additional machinery and balancing equipment, particularly for boiler tubes and panels, iron castings and hydraulic & mechanical presses.

We continue to expect good business for good business prospects for the manufacturing of machinery and equipment business.

We have recently renamed the EPC segment to Industrial Projects, to more accurately represent the nature of the business in this segment. We are focusing on orders that will use ISGEC technological expertise, but have comparatively shorter execution period and less site work than orders that we've been executing in the past.

We expect the margin profile of this segment to improve in the next few years.

Regarding our subsidiary company, Cavity Biofuels Producers Inc., Philippines, the plant has been largely completed, though there are still some portions yet to be completed, such as some internal roads, boundaries, walls and byproduct manufacturing equipment.

The plant operated on sugar cane and then on molasses for some time, and produced and sold about 3.5 million liters of ethanol. It was temporarily shut for a few days to take corrective actions in some sections, and is now operating at a reduced capacity for some time. It will resume at full capacity on sugarcane as feedstock from mid-November.

Saraswati Sugar Mills Limited, our whole subsidiary converted the process from Sulphitation to Refined sugar. It manufactured Refined sugar for the full last season, and the quality of our Refined sugar is very good and has been well accepted in the markets.

The ethanol plant also operated at its full expanded capacity of 160 kilo litres per day.

Isgec Hitachi Limited is also our joint venture and is doing well. Its order book is very encouraging. It has Rupees 1022 Crores order as at end June, 2024.

Eagle Press and Equipment Co. Limited Canada, a wholly owned subsidiary, is passing through some difficult times, particularly due to slow order finalization by the automobile industry in North America, which is its primary customer base. We are taking steps to diversify by supplying presses to other industries. All other joint venture companies and subsidiary companies are working satisfactorily.





As the shareholders know, there are challenges in the economy due to geopolitical tensions and prolonged Russia-Ukraine war, which have lengthened the delivery time for imports and exports and sea freight charges have increased.

Volatility in prices of raw material, particularly steel, copper, aluminum and nickel continues to volatility levels have reduced. The companies proactively taking steps to deal with the volatility in the economic inbox.

We continue to be optimistic about Isgec positioning in the market, and with our exceptional engineering skills, a portfolio that is truly diverse, our Strategic Technology Partnerships with leading global firms that help Keep us abreast of the latest and most relevant technologies, extensive experience honed over decades and right quality of people, we believe we are well positioned to strengthen our financial metrics and in serving the community and people at large.

I thank you once again for your continued faith in Isgec and its management. I wish you and your family members all the best.

Thank you.

Sachin Saluja

Thank you, sir.

I request Mr. Aditya Puri, Managing Director, and Mr. Kishore Chatnani, Whole-time Director and CFO to answer the queries of the shareholders.
Over to you sir.

Aditya Puri

I cannot see any questions.

Sachin Saluja:

Thank you sir.

Before conclusion, I would like to confirm that Mr. Pramod Kothari is present in the AGM. He will scrutinize the votes cast through remote e-voting facility available till yesterday evening, and e-voting at this AGM being provided.

Thereafter, he will issue us his scrutinizer report. The voting result and scrutinizers report will be disclosed on the website of the Company, as well as website of stock exchanges within prescribed time period of two working days.

On behalf of the management, I sincerely express my gratitude to all the participants attending this AGM, who extended cooperation to us for making this AGM successful by their presence.

We also thank Chairman Sir, Directors, and Auditors for their presence and support all the times.

As Chairman already informed, e-voting window is again open for 15 minutes time, only for those shareholders who could not cast vote during last three days. Link for voting is available at the same place from where you have joined this AGM.



ISGEC HEAVY ENGINEERING LTD.

A-4, Sector-24,
Noida - 201 301 (U.P.) India
(GST No.: 09AAACT5540K2Z4)

Tel.: +91-120-4085000 / 01 / 02

Fax: +91-120-2412250

E-mail: corpcomm@isgec.com
www.isgec.com

Now we are at the end of this AGM, Please be informed that e-voting window will remain open for next 15 minutes. Request to please cast your vote, if you could not earlier.

Thank you very much. Have a nice day. Stay safe and healthy.

Aditya Puri
Thank You.

e-voting in progress.

