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October 16, 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,

**(Scrip Code : 533033, Scrip Id: ISGEC)**

**Subject: Proceedings of the 87<sup>th</sup> Annual General Meeting**

We are pleased to enclose herewith copy of the proceedings of the 87<sup>th</sup> Annual General Meeting held on September 18, 2020 through Video Conferencing /Other Audio Visual Means.

We shall request you to kindly take it on record.

Thanking you,

Yours faithfully,  
For Isgec Heavy Engineering Limited

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

Encl: As above

**ISGEC HEAVY ENGINEERING LIMITED**  
**Regd. Office: Radaur Road, Yamunanagar-135001, Haryana.**  
**CIN: L23423HR1933PLC000097**

Dated: October 16, 2020

**Proceedings of the 87<sup>th</sup> Annual General Meeting of the Shareholders of Isgec Heavy Engineering Limited held on Friday, September 18, 2020 at 11:30 a.m. (IST) through Video Conferencing (VC) at the Registered office of the Company situated at Radaur Road, Yamunanagar-135001, Haryana (Deemed Venue of the Meeting).**

**Present through video Conferencing/ Other Audio Visual Means:**

**DIRECTORS:**

<b><u>Sl. No.</u></b>	<b><u>Name of Director</u></b>	<b><u>Designation</u></b>
(1)	Mr. Ranjit Puri	: Chairman and Chairman of Stakeholders Relationship and Grievances Committee and Corporate Social Responsibility Committee;
(2)	Mr. Aditya Puri	: Managing Director and Member of Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee;
(3)	Mrs. Nina Puri	: Whole Time Director
(4)	Mr. Sidharth Prasad	: Independent Non-Executive Director and Chairman of Risk Management Committee, Member of Stakeholders Relationship and Grievances Committee and Audit Committee;
(5)	Mrs. Shivani Hazari	: Independent Non-Executive Director;
(6)	Mr. Tahir Hasan	: Independent Non-Executive Director;
(7)	Mr. Vinod K. Nagpal	: Independent Non-Executive Director and Chairman of Audit Committee and Nomination & Remuneration Committee;
(8)	Mr. Vinod Kumar Sachdeva	: Independent Non-Executive Director and Member of Nomination & Remuneration Committee, Stakeholders Relationship and Grievances Committee and Corporate Social Responsibility Committee;
(9)	Mr. Vishal Kirti Keshav Marwaha	: Independent Non-Executive Director.

**Auditors:**

- (1) Mr. Abhinav Khosla : Representatives of M/s. SCV & Co., LLP, Statutory Auditors;
- (2) Mr. Gopinathan Mohandas : Representative of M/s. Gopinathan Mohandas & Co., Cost Auditors;
- (3) Mr. Pramod Kothari : Representative of Pramod Kothari & Co., Secretarial Auditor;
- (4) Mr. Puneet Gupta : Internal Auditor.

**COMPANY OFFICERS:**

- (1) Mr. S.K. Khorana : Executive Director and Company Secretary;
- (2) Mr. Kishore Chatnani : Head-Corporate Accounts & Treasury and Chief Financial Officer.

**SCRUTINIZER:**

Mr. Rajinder Kumar Bhalla : Practicing Company Secretary

**CHAIRMAN:**

Mr. Ranjit Puri, Chairman, took the Chair.

**QUORUM:**

As per the attendance registered for the meeting by National Securities Depository Limited (NSDL), in aggregate, 160 Members (including 3 Promoters) and 3 Members (including 2 promoter group) as representative of bodies Corporates were present through VC. Pursuant to Circular No. 14/2020 issued dated April 08, 2020 by the Ministry of Corporate Affairs (MCA), the facility for appointment of proxy for the AGM was not provided to the Members. Accordingly, there was no proxy present at the meeting.

The Chairman announced that the requisite quorum was present and called the meeting to order. The quorum was present throughout the meeting.

The following statutory registers and documents were kept open during the AGM for inspection by the Shareholders by writing to the company at its email id roynr@isgec.com

- (i) Notice convening the 87<sup>th</sup> AGM;
- (ii) Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013;

- (iii) Register of contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013;
- (iv) Register of charge under Section 85 of the Companies Act, 2013;
- (v) Register of loans, guarantee, security and acquisition made by the company;
- (vi) Register of Member under Section 88 of the Companies Act, 2013;
- (vii) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon;
- (viii) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, and the report of Auditors thereon;
- (ix) The Audited Financial Statements of the subsidiary companies for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon; and
- (x) Secretarial Auditor Report.

1. The meeting commenced at 11:30 a.m. The Chairman commenced the meeting by welcoming the members to the 87<sup>th</sup> Annual General Meeting (AGM) of the Company.
2. The Chairman informed that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms, the AGM was conducted through the Audio Video means. The AGM was convened and conducted in accordance with the circulars issued by Ministry of Corporate Affairs (MCA), i.e. General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other relevant circulars issued by MCA and Securities and Exchange Board of India (SEBI), which allowed the companies to conduct their AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020.
3. The Chairman further informed that the Company had taken all steps to ensure that the Shareholders were able to attend and vote at this AGM in a seamless manner. He also stated that the Company had tied up with NSDL to provide facility for voting through remote e-voting, e-voting during the AGM and for participation in the AGM through VC / OAVM facility.
4. The Chairman informed the Members that the Report of Board of Directors, Auditors Report, the financial statement for the financial year ended March 31, 2020 and the Notice convening the 87<sup>th</sup> AGM were taken as read as the same had already been circulated to the Members through e-mail.
5. The Chairman further informed the Members that pursuant to the provisions of the Companies Act, 2013, Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had extended facility of remote e-voting and voting at AGM to the Members of the Company in respect of the resolutions to be passed at the Meeting. The remote e-voting commenced on Tuesday,

September 15, 2020 at 9:00 a.m. (IST) and ended on Thursday, September 17, 2020 at 05:00 p.m. (IST). The Chairman informed the Members that the facility for e-voting shall be available during fifteen minutes time after conclusion of the Meeting, for Members who had not casted their vote through remote e-voting prior to the Meeting.

6. The Chairman introduced the Board of Directors, Key Managerial Personnel and other persons to the Members. He informed that Mr. Arun Kathpalia, Director, could not attend the Annual General Meeting due to pre-occupation.
7. The Chairman informed the Members that the tenure of four independent directors of the Company shall ceased on the conclusion of this AGM. On behalf of the Board, the Chairman placed on record the appreciation for the immense contribution and guidance made by Mr. Tahir Hasan, Mr. Arun Kathpalia, Mr. Vinod K. Nagpal and Mr. Vinod Kumar Sachdeva, Non-Executive Independent Directors, for Company's best interest during the tenure as a Board Member.
8. The Chairman then requested Mr. Aditya Puri, Managing Director to brief about working of the Company.
9. Mr. Aditya Puri, Managing Director shared his views on challenging situation for the financial year 2019-20 due to pandemic COVID-19 and key highlights for financial year 2019-20. A Copy of excerpt from the speech is enclosed as Annexure-I.
10. After the above briefing, Mr. Kishore Chatnani, Moderator, invited the shareholders, who have registered themselves to speak at the AGM, to raise questions or express their views, one by one.

Queries/comments/ views of the Members, inter-alia, covered the following:

- Delay in the projects because of COVID, is there any liability that may arise because of this?
- There are some cancellation in our orders as mentioned by the Board. What happens to the customers' advances, when the customer cancels that order?
- Status of arbitration settlement happened with the Philippines client?
- Company EBITDA margin guidance is 7-8%, which has not been achieved in the EPC segment. How do we see this year panning out in terms of margin of EPC segment?
- Appreciated the financial results achieved by the Company.
- Appreciated the contribution made by the Company for Social responsibilities.
- Appreciated the Promoters contribution in Company growth.
- Any new tie up in first quarter with a foreign companies?
- What are the new government contracts? After signing the contracts but before being initiated has any contract been cancelled or any variations or change in the contract?
- Our company is the leaders in the industry and how will the leadership stamp now be imposed, given the COVID experience, the learning from this experience and its impact next 2-3 year performance?
- How many of our contract outside India? What is the stress for our customers and the working capital position now? Has it been eased out from what it was in March 2020?

Mr. Aditya Puri, Managing Director responded to the queries of the Members one by one. A copy of excerpt from speech is enclosed as Annexure-II.

Thereafter, the Chairman requested Mr. S.K. Khorana, Executive Director and Company Secretary to resume the proceedings.

Mr. S. K. Khorana, Executive Director and Company Secretary further added that the Company has provided facility of remote-e-voting to the members through NSDL e-voting system, to enable them to cast their vote electronically. The remote e-voting was open from 09:00 a.m. (IST) on September 15, 2020 till 5:00 p.m. on September 17, 2020. The members were also informed that who have not casted their vote through remote e-voting process had been provided with the facility to cast vote during the AGM during 15 minutes time after we finished the meeting. Mr. Rajinder Kumar Bhalla, Practicing Company Secretary was appointed as Scrutinizer to scrutinize the votes casted through remote e-voting and e-voting at the meeting and will make a scrutinizer report. The results along with scrutinizer report will be disseminated on the website of the Company as well as on BSE and NSDL within 48 hours from the conclusion of the meeting.

Mr. S. K. Khorana thanked all the Members, Chairman, Managing Director, Whole-time Director, Directors and Auditors for their participation in the meeting.

The meeting concluded at 12:35 p.m. (IST) after kept open for 15 minutes for e-voting.

#### Results of Voting

On the basis of the Scrutinizer's Report dated September 19, 2020, Mr. S.K. Khorana, Executive Director & Company Secretary announced the consolidated results of voting on September 19, 2020 as under:-

Resoluti on No.	Description of Resolution	Votes Polled	Votes in Favour		Votes Against	
			No. of Shares	(%)	No. of Shares	(%)
1.	<p><u>Ordinary Resolution:</u> Consideration and Adoption of</p> <p>(a) the Audited standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and Auditors thereon; and</p> <p>(b) the Audited Consolidated Financial statements of the Company for the financial year ended March 31, 2020, together with the reports of the Auditors thereon.</p>	64,522,923	4,520,723	99.9966	2,200	0.0034



2.	<u>Ordinary Resolution:</u> To confirm the payment of Interim Dividend @ 2/- per Equity Share of Re. 1/- each already paid during the financial year 2019-20.	64,522,923	64,520,673	99.9965	2,250	0.0035
3.	<u>Ordinary Resolution:</u> To appoint a Director in place of Mr. Ranjit Puri (DIN: 00052459), who retires by rotation and being eligible, offers himself for re-appointment.	18,650,326	18,648,126	99.9882	2,200	0.0118
4.	<u>Special Resolution:</u> Re-appointment of Mr. Sidharth Prasad (DIN: 00074194) as an Independent Director:	64,522,923	64,520,723	99.9966	2,200	0.0034
5.	<u>Special Resolution:</u> Re-appointment of Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204) as an Independent Director.	64,522,923	64,520,673	99.9965	2250	0.0035
6.	<u>Ordinary Resolution:</u> Re-appointment of Mr. Aditya Puri (DIN: 00052534) as Managing Director.	18,650,366	16,586,152	88.9320	2,064,214	11.0680
7.	<u>Special Resolution:</u> Approval of remuneration of Mr. Aditya Puri, Managing Director in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 for the tenure of his re-appointment.	18,696,676	10,660,275	57.0170	8,036,401	42.9830
8.	<u>Ordinary Resolution:</u> Ratification of remuneration of the Cost Auditors for the financial year ended March 31, 2020.	64,522,923	64,520,523	99.9963	2,400	0.0037
9.	<u>Ordinary Resolution:</u> Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2021.	64,522,923	64,520,523	99.9963	2,400	0.0037

Except resolution no. 7 (i.e. Special Resolution: Approval of remuneration of Mr. Aditya Puri, Managing Director in terms of Regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 for the tenure of his re-appointment), all resolutions as set out in the Notice of AGM, were duly approved by the Members with requisite majority and are recorded hereunder as part of the proceedings of the AGM.

**As Ordinary Business:**

**Resolution No. 1:**

**Consideration and Adoption of (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon, and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020:**

“RESOLVED THAT the following financial statements be and are hereby received, considered and adopted:

- (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Auditors thereon.”

**Resolution No. 2:**

**Confirmation of the payment of Interim Dividend @ Rs. 2/- per Equity Share of Re. 1/- each, already paid during the financial year 2019-20.**

“RESOLVED THAT payment of Interim Dividend already made @ Rs. 2/- per Equity Share of Re. 1/- each be and is hereby confirmed.”

**Resolution No. 3:**

**Appointment of a Director in place of Mr. Ranjit Puri (DIN: 00052459), who retires by rotation and being eligible, offers himself for re-appointment.**

“RESOLVED THAT Mr. Ranjit Puri (DIN: 00052459) Director, retiring by rotation, be and is hereby re-appointed.”

**As Special Business:**

**Resolution No. 4:**

**Special Resolution**



**Re-appointment of Mr. Sidharth Prasad (DIN: 00074194) as an Independent Director.**

“RESOLVED AS A SPECIAL RESOLUTION THAT, Mr. Sidharth Prasad (DIN: 00074194), who was appointed as an Independent Director by the Members in the Annual General Meeting (AGM) of the Company held in year 2016, with effect from October 31, 2015, for a first term of 5 (Five) years i.e. up to October 31, 2020 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 (“the Act”) from a member proposing his candidature for the office of an Independent Director and who meets with the criteria of independence as provided under section 149(6) of the Act, Regulation 16 (1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and who is eligible for re-appointment, and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, for the office of an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a second term of 5 (Five) years with effect from October 31, 2020 up to October 31, 2025 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

**Resolution 5:**

**Special Resolution**

**Re-appointment of Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204) as an Independent Director:**

“RESOLVED AS A SPECIAL RESOLUTION THAT, Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204), who was appointed as an Independent Director by the Members in the Annual General Meeting (AGM) of the Company, held in year 2017 for a first term, with effect from March 30, 2017 up to the conclusion of the AGM to be held in year 2020, and in respect of whom the Company has received a notice in writing under Section 160 of the

Companies Act, 2013 (“Act”) from a member proposing his candidature for the office of an Independent Director and who meets with the criteria of Independence as provided under section 149(6) of the Act, Regulation 16 (1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, for the office of an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a second term of 5 (Five) years with effect from the conclusion of this 87th AGM up to the conclusion of 92nd AGM to be held in year 2025 and that he shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

**Resolution 6:**

**Ordinary Resolution:**

**Re-appointment of Mr. Aditya Puri (DIN: 00052534) as Managing Director:**

“RESOLVED THAT, pursuant to the provisions of Section 188, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and Articles of Association of the Company and subject to the approval of the Banks and Financial Institutions, if required, consent of the Company be and is hereby accorded to the re-appointment of Mr. Aditya Puri (DIN 00052534) as Managing Director of the Company for a further period of 5 years up to April 30, 2026 with effect from May 1, 2021, on terms and conditions and remuneration as set out below:-

- I. That Mr. Aditya Puri shall be the Managing Director and Principal Officer of the Company subject to the control and supervision of the Board of Directors of the Company.

- II. That Mr. Aditya Puri shall not be liable to retire from Directorship by rotation.
- III. That Mr. Aditya Puri will be entitled to following remuneration subject to the limits laid down in Sections 197 and 198 and Schedule V to the Act:
- i) Salary - Rs. 5,00,000/- (Rupees Five Lakh only) per month.
  - ii) Perquisites and Allowances - Perquisites and allowances in the form of Housing, Furnishing, Gas, Electricity, Water, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance and in any other form shall also be allowed in addition to salary, as may be determined by the Board from time to time. Provided that the aggregate of salary, perquisites and allowances shall not exceed Rs. 5,10,000/- (Rupees Five Lakh Ten Thousand only) per month.
  - iii) Commission - Mr. Aditya Puri, Managing Director, shall also be allowed remuneration by way of commission in addition to salary, perquisites and any other allowance, benefit or amenity. The amount of commission would be such that aggregate of remuneration by way of salary, perquisites, commission etc. payable to Mr. Aditya Puri, Managing Director, shall not exceed 5% of the net profits of the Company in a particular financial year as computed in the manner referred to in Section 197 and Section 198 of the Act.
  - iv) Provided that the aggregate amount of remuneration payable to Mr. Aditya Puri, Managing Director and Mrs. Nina Puri, Whole-time Director in a particular financial year will be subject to the overall ceiling laid down in Sections 197 of the Act.
- IV. That Mr. Aditya Puri shall not be entitled to any sitting fee for attending meetings of the Board and the Committees.
- V. That in case Mr. Aditya Puri, Managing Director, draws remuneration from any other company, the total remuneration drawn from all the companies will not

exceed the higher maximum limit admissible from any of the companies of which he is a managerial person.

VI. That the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee and the Audit Committee is authorized to re-fix his terms and conditions including remuneration within the limits laid down in Sections 197 and 198 and Schedule V to the Act.

RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

**Resolution 7:**

**Special Resolution, as given below, not approved by the Members, as requisite number of votes not casted in favour of the resolution:-**

**Special Resolution:**

**Approval of remuneration of Mr. Aditya Puri, Managing Director in terms of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 for the tenure of his re-appointment:**

“RESOLVED AS A SPECIAL RESOLUTION THAT, pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amended Listing Regulations”) along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 (“Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule-V of the Act, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Aditya Puri (DIN: 00052534), Managing Director at such terms and conditions, as approved by the Members, notwithstanding that the annual aggregate remuneration payable to Mr. Aditya Puri, Managing Director and Mrs. Nina Puri, Whole Time Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act, in any year during the tenure of his re-appointment effective from May 1, 2021 to April 30, 2026.

RESOLVED FURTHER THAT, the approval of the Members shall be valid only till the expiry of the term of re-appointment of Mr. Aditya Puri, Managing Director.

RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

**Resolution 8:**

**Ratification of remuneration of the Cost Auditors for the financial year ended March 31, 2020:**

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) to be paid to M/s. Gopinathan Mohandas & Co., Cost Accountants (Firm Registration Number: 101499), H.I.G., G.-11A, Sector-23, Raj Nagar, Ghaziabad, appointed as the Cost Auditors by the Board of Directors to fill the casual vacancy caused by death of Mr. K. C. Kohli, proprietor of M/s. K. C. Kohli & Co., for conducting the cost audit of cost records maintained by the Company, for the financial year ended March 31, 2020 be and is hereby ratified and confirmed.

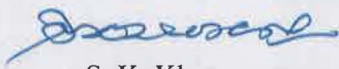
RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

**Resolution 9:**

**Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2021:**

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) to be paid to M/s. Gopinathan Mohandas & Co., Cost Accountants (Firm Registration Number: 101499), H.I.G., G.-11A, Sector-23, Raj Nagar, Ghaziabad, appointed as the Cost Auditors by the Board of Directors for conducting the cost audit of cost records maintained by the Company, for the financial year ending March 31, 2021, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT, any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”



S. K. Khorana  
Executive Director & Company Secretary

Sd/-  
(Mr. Ranjit Puri)  
Chairman  
DIN: 00052459



**Mr. Aditya Puri, Managing Director briefed about working of the Company.**

Good morning ladies and gentlemen. The fiscal 2019-20 posed a challenging operating environment for the Indian economy, marked by liquidity constraints, muted investments, weak consumption and volatile commodity prices. Various macro-economic indicators as well as overall GDP growth witnessed consistent deceleration. These challenges were further exacerbated by outbreak of novel coronavirus (COVID-19) pandemic towards the end of the fiscal year. As I speak, the infection rate continues to rise in several parts of the country, but we are learning to live and work in the changed circumstances. Despite such a challenging year we were able to deliver strong results.

I must salute the spirit of the government authorities, healthcare workers, police, and the public, in fighting the pandemic. I must also acknowledge the understanding and support of our numerous customers; on whose trust we continue to evolve and grow.

As a responsible corporate entity, ISGEC selflessly undertook a series of measures to ensure safety and well-being of our employees, partners and to support vendors, customers, and communities across India. We leveraged our robust information technology infrastructure to ensure seamless transition to work-from-home environment with little or no disruption of operations. I'm pleased to state that currently all our factories, offices and sites are operating, majority of our suppliers and vendors are back on their feet and we are receiving good order booking and enquires. During this period, we also focussed on conserving and augmenting our liquidity position through judicious cost management and deferring non-critical spends.

**Business Highlights**

This year, we steadfastly focussed on solidifying our business fundamentals, firing up innovation and catering to the evolving customer needs and preferences.

Fiscal 2019-20 concluded with a healthy underlying performance across segments withstanding significant external headwinds. We ended the year with a strong order book in hand worth Rs. 6,916 crores, from which about Rs.5,411 crores are for the project business and Rs.1,505 crores are for the product business. Consolidated order book includes Rs.1,500 crores of export orders, which is about 22% of our order booking. Order booking for ISGEC Hitachi Zosen was also good. We are continuously working on diversifying into new products. Business development centre is being created to work on new products without making much investment. Focus is on contract manufacturing for defence, space and other sectors, the company is also exploring large civil work projects and will be bidding for construction of small airports.

During the year we recorded a 16% growth in revenue to Rs. 5,852 crores from Rs. 5,050 crores in the previous year, partly tampered by COVID 19 pandemic impact. Our profitability put up a strong footing with profit after tax standing at Rs. 150 crores as against Rs. 144 crores in the previous year, a growth of 5%. EPC business saw good traction in new categories and orders.

Company has been delivering improved performance year-on-year, demonstrating the soundness of our robust business model. We also delivered good operational performance during the year. Balance sheet remains robust with strong net cash position and credit rating of AA (Stable) and A1+ by ICRA. Our strategic interventions to optimise working capital will further reinforce our financial position.

A key intervention, amongst others, is the activities that we undertake as a socially responsible corporate. We are committed to create a positive impact in the communities where we live and operate, thereby empowering the marginalised members of our society.

Due to COVID-19 pandemic the economic activities in the country and abroad have been disrupted. It will take some time for these to pick-up at full pace, but it will not impact our company in the long term, as most of our customers have long-term investment timeframes and the interruption of three months does not change their investment plan and also most customers have separate funding arrangements for capital equipment and do not have to use their operational cash flows. We will continue to monitor the situation very closely in the next few months.

With new government reforms and initiatives like Atmanirbhar Bharat Abhiyaan and making India the 'country of choice', to support the Indian economy, this will increase the investments over a period of time.

We are very optimistic about our positioning in the market and with presence in multiple segments and geographies, robust balance sheet, state of the art infrastructure and manufacturing capabilities, technology partnerships and the right quality of people, we will continue to focus on increasing our shareholder wealth, strengthen financial metrics and to serve 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!

**Mr. Aditya Puri, Managing Director responded to the queries of the Members:**

Thank you, shareholders, for attending this meeting. Some shareholders have asked some questions and I will try my best to answer those questions.

One of the questions was regarding delays and cancellation of orders because of the COVID pandemic. We are fortunate that we have a very insignificant orders that have been cancelled, maybe 2-3%. Some of the orders, though not very significant, customers have deferred them by few months because their sights are not ready. We have written to all our customers regarding the force majeure clause and as of now there is no customer who has reacted adversely. We are taking all legal precautions also to see that the delays that are going to happen, we do get compensated in terms of time. At many of the sights the customers themselves are not letting us work or our labour and work force is subject to quarantine. So, we are taking all measures to safeguard ourselves. But as of now I do not see this affecting the whole year results of the company. Quarter to Quarter there may be some ups and downs. But otherwise this COVID-19 has not had a major impact on the projects that were there are continuing.

As far as the Philippines arbitration is concerned, now that company has become a subsidiary of Isgec. We do not expect a loss when we sell the company. We however are also contemplating an option open to us today is to run the company because the financials look as though it may be a good proposition. We may likely get good returns from running the company. Decisions will be taken in the next few months whether to run the company or to sell it. Obviously, this has slowed down because of the pandemic and Philippines was hit before India. It continues to be hit by COVID-19, so there has not been any activity or very little activity for the last 6 months. As and when the pandemic situation improves, we would exercise one of the 2options.

As far as EBITDA Margins are concerned, EBITDA was low last year. It was partly impacted by the cost that we incurred because of the legal cost for the Philippines operations. Now that legal cost is behind us, we will not see any significant cost this year. We do hope this year the EBITDA Margins will be better.

On tie ups, yes, we do have many tie ups. Unfortunately, this quarter overseas people could not come to India and we could not go overseas. So, there have been no new tie ups this particular quarter.

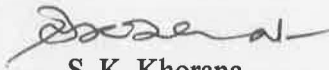
Having said that the order book position is good.

Our Working Capital has improved as of now, it's better than what it was in the beginning of the year. Yes, there are some customers who are stressed, but there are not too many of them. The government policy of making credit available MSMEs is playing out. We do not have too many customers who are not paying or any significant amount which is not being paid. There are odd customers who are in some sort of financial position. But overall, we have been able to improve

the Working Capital situation because we are monitoring it much more closely. Liquidity of the company is very important, and we are putting our full efforts towards recovery.

The Finance Minister had announced certain measures. For government contracts below Rs. 200 crores foreign parties are not allowed at all. Indian parties also have to have minimum Indian contract. Also because of the China situation that is happening, many of the public sector companies are putting a clause saying that you will not import from China. We do think that our chances with the government tenders will improve to the extent that foreign competition would be reduced. We will see how it spans out over a period of time. As of now there is no other significant change as far as government tenders are concerned.

And I hope I have answered all the questions.



S. K. Khorana  
Executive Director & Company Secretary

Sd/-  
(Mr. Ranjit Puri)  
Chairman  
DIN: 00052459