



Ref:Ho-463

Dated: September 18, 2020

To,  
Mr. Sidharth Prasad  
Address: K-94, Hauz Khas Enclave,  
New Delhi-110016

Dear Sir,

**RE-APPOINTMENT AS AN INDEPENDENT DIRECTOR**

1. The Shareholders in the Annual General Meeting held on September 18, 2020, were pleased to re-appoint you as an Independent Director of the Company 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.
2. A copy of the Resolution passed by the Annual General Meeting is enclosed for your information and record.
3. As an Independent Director of the Company you will be entitled to following remuneration:-
  - (a) Board Meeting Fee: Rs. 1,00,000/- (Rupees One Lakh only) for each meeting to be attended.
  - (b) TA & DA for attending the Board Meeting outside your Headquarter.
  - (c) Commission: Rs. 25,000/- (Rupees Twenty Five Thousand only) per annum, subject to commission payable to all Non-Executive Director shall not exceed 1 % of the Net Profit for the financial year.
4. As an Independent Director you are required to abide by the provisions specified in paragraphs I, II & III of Schedule-IV of the Companies Act, 2013, with regard to professional conduct, rules and functions and duties. A copy of paragraphs I, II & III of Schedule-IV is enclosed for ready reference.
5. In accordance with the Companies Act, 2013, Independent Directors are required to hold at least one meeting in a financial year. The meeting shall review:-
  - (a) The performance of non-independent directors and the Board as a whole;



**ISGEC HEAVY ENGINEERING LTD.**

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- (b) The performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

By Order of the Board

**S.K. Khorana**  
**Executive Director & Company Secretary**

Encl: Copy of paragraphs 1, 2 & 3 of Schedule IV of Companies Act, 2013.



Copy of paragraphs I, II & III of Schedule IV of the Companies Act, 2013

**SCHEDULE IV**

**I. Guidelines of professional conduct :**

An independent director shall :

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, in the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

**II. Role and functions :**

The independent directors shall :

- (1) help in bringing an independent judgment to bear on Board's Deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and the financial controls and the systems of risk management are robust and defensible;



- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### III. Duties :

The independent directors shall :

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;



- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



**Copy of Resolution passed by the Shareholders of Isgtec Heavy Engineering Limited in Annual General Meeting held on September 18, 2020**

“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.”

**Certified to be true copy**

**(S. K. Khorana)**  
**Executive Director & Company Secretary**  
**Membership No. FCS-1872**  
**Address: B-83, Sector-56, Noida-201301, U.P.**