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Transcript of the 92nd Annual General Meeting of ISGEC Heavy Engineering Limited

Company Secretary: Good Morning, everyone. I am Sachin Saluja, Company Secretary of Isgec Heavy Engineering Limited. I welcome all the participants in this 92nd Annual General Meeting of the Company. Hope you and your family member are in healthy state. More than 50 members have joined us in this AGM so far. The requisite quorum is present.

In accordance with the provisions of the Companies Act 2013 and circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice for this AGM, along with Annual Audited Financial Statements and other reports, were sent to the shareholders through e-mail. Further, letters containing the web link and QR code of the Annual Report and the Notice of AGM were dispatched to those shareholders whose e-mail addresses were not registered or not available with us. 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 Stakeholders, 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 September 8, 2025, through e-mail. As of date, there is no such mail pending with the Company which is yet to be addressed.

During the AGM, the facility to pause or raise questions will be available for all participants through the query box, answers against which will be given after the speech of the Managing Director. All members who have joined this meeting are by default placed on mute mode to avoid any disturbance from the background to ensure smooth conduct of the meeting.

Now, I would like to quickly summarize the business as stated in the Notice of this AGM.

Item number 1:
Adoption of audited standalone financial statements for the financial year ended March 31, 2025.

Item number 2:
Adoption of audited consolidated financial statements for the financial year ended March 31, 2025.

Item number 3:
Declaration of dividend @ Rs.5 per equity share of Re.1 each.

Item number 4:
Appointment of Mr. Kishore Chatnani as Director, liable to retire by rotation.

Item number 5:
Appointment of Mr. Rajiv Roy Chaudhury as an Independent Director.

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Item number 7:
Appointment of Mr. Vivek Dhir as an Independent Director.

Item number 8:
Ratification of remuneration to the cost auditors for the financial year ending March 31, 2026.
Item number 8:
Appointment of Secretarial auditor.

Item number 9:
Re-designation of Mr. Kishore Chatnani as Joint Managing Director.

Item number 10:
Re-designation of Mr. Sanjay Gulati as Joint Managing Director.

There is an important piece of information that I wish to share with you members. As a part of *Saksham Niveshak* 100 Days campaign, shareholders are requested to claim their unclaimed dividends to avoid the transfer of these dividends and the associated shares to the IEPF. For further information, shareholders are advised to contact the Registrar and Transfer Agent, Alankit Assignment Ltd or the Company and to update their KYC with their respective Depository Participants to ensure the timely receipt of corporate benefits such as dividends, bonuses, etc. and important communication from the Company.

Now, I request Mr. Ranjit Puri, our Chairman Sir, to take up the proceedings. Over to you, sir.

Chairman: Thank you. I hope you can hear me, and I am not on mute.

Company Secretary: Yes, Sir.

Chairman: Welcome, ladies and gentlemen. This is the sixth time we are meeting virtually. We miss the pleasure of seeing you face-to-face. But on the other hand, we always get better participation in a video format. So I suppose we will continue with this in the future also.

Sachin has already informed you that we have complied with the necessary legal requirements, the Ministry of Corporate Affairs and SEBI and whatever else may be required. So now and we have a quorum.

So, I'm going to start by introducing the Directors to you. So, I'll start with Vishal, if you would raise your hand, Vishal.

Mr. Vishal Kirti Keshav Marwaha.

He has been Chairman of the Audit Committee until quite recently.

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Then we have Sidharth Prasad.

Sidharth Prasad: Hello.

Chairman: Yeah, he was chairman of the Nomination and Remuneration Committee and the Risk management committee.

Both these gentlemen are going to be leaving us this year. And I have a few words to say at the end of this meeting.

Then we have Arvind Sagar, who has been a member of the Audit Committee, the Stakeholders Relationship Committee and the Share Transfer Committee. And now he is the Chairman of the Nomination and Remuneration Committee and also the Risk Management Committee.

We have Rashi Sikka. She is a member of the Stakeholder and Relationship Committee and the Share Transfer Committee. And now on August 13th, she has been appointed a member of the Audit Committee, the Nomination and Remuneration committee and the Corporate Social Responsibility Committee.

Then we have two new Directors.

We have Rajeev Roy Chaudhury.

Rajeev Roy Chaudhury: Hi, morning.

Chairman: He was appointed on the 8th of July this year. And we are asking for approval to confirm his nomination today. But he is already serving it. He is serving at the moment as Chairman of the Audit Committee.

And then we have Vivek Dhir, who was also appointed on the same dates. And his appointment is also, you know, subject to your approval. He has been appointed to the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

Aditya Puri, I hope you all know. He is a member of the Audit Committee, the Corporate Social Responsibility Committee and the Risk Management Committee.

Then we have Sanjay Gulati, the Whole Time Director and his re-designation is up also for your approval this morning.

We have Kishore Chatnani.

Kishore Chatnani: Good Morning.

Chairman: Again, his re-designation is before you today. He's been a member of the Stakeholder Relationship and Grievance Committee. Kishore is the Chief Financial Officer of the Company and

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Sanjay is the head of the manufacturing activities of the Company. They've been in that capacity as Executive Directors.

I also want to welcome Mr. Sanjay Sachdeva. He is the senior partner of the statutory auditors.

Speaker: Sanjay Vasudeva.

Chairman: What did I say? I'm sorry. I'm sorry. I'm sorry, Sanjay.

Sorry for misspeaking your name. Sanjay Vasudeva, representing our statutory auditors. We have Mr. Neeraj Sharma, who is the cost auditor and Mr. Pramod Kothari, who is the Secretarial Auditor.

We are losing two Directors this year. The law says that they are not eligible for re-election. Those who make the laws sometimes sit in ivory towers and don't understand the implications of what they're doing.
I don't mean to be disrespectful, of course. I'm sure legislators represent the public at large in the same way the Directors represent the shareholders at the Board. They're there to review the policies. They're there to suggest. They're there to criticize. They're there to approve or disapprove of what is happening, generally to make sure that the government on the one hand and the management, on the other hand, is acting in the best interest of the company and also the shareholders.

The law says that we can't have them anymore. So we must, you know, we must obey. They are both gentlemen who have come to us with a lot of background in their own subjects. They understand the subject very well and have contributed very, very well to the Board.

They also have robust business sense, you know, outside their own field, business in general, and lots of common sense. And they have, I don't think there's a complete disapproval of some action, but they have suggested, which has caused the management to make major modifications in what the original proposal was. And the most important thing is that this has all been done in an atmosphere of great cordiality.

To me, as Chairman, they have shown great respect and to me as a person, I have received a lot of affection from them. We will miss them. I'm sorry that we cannot have them.

Now, before I finish, I must say that the proxy forms have not been given to you because in this virtual format, they're not required. There's no proxy register. The rules of the meeting, Sachin has already told you, resolutions do not need to be proposed. They do not need to be seconded. E-voting was available to you from the 13th of September at 9 a.m. until 5 o'clock yesterday. And I hope many, most of you have already passed your votes. If you haven't, there will be a 15-minute window at the end of this meeting. And so please cast your vote. And I need not say that the Election Commission will be after you if you vote twice.

The SCV Co. & LLP or the statutory auditor, Sanjay is here with us. Also, Mr. Pramod Kothari, the secretarial auditors, he's also here. They've given us clean reports. Unqualified opinions is what the technical term is. And since these are clean reports and there are no adverse comments, the reports were taken as read and we don't need to read them out today. I will now hand over to Aditya.

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Thank you for listening to me.

Aditya Puri: Good Morning.

Company Secretary: I request Mr. Aditya Puri, Managing Director, to please brief the members about the Company.

Managing Director: Good Morning. Am I audible?

Company Secretary: Yes, Sir.

Managing Director: Ladies and gentlemen, we warmly welcome you to the 92nd Annual General Meeting of the company.

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 in good health. This is the 6th Annual General Meeting being held through video conferencing.

One of the benefits of having the AGM through video conferencing is that shareholders across the country can join conveniently. As we come together today, I wish to express my sincere gratitude to our people for their dedication, to our voters for their guidance, and to our shareholders for your trust. It is this collective strength that inspires us to aim higher and create lasting value.

I am confident that we are well-positioned to embrace the future with optimism and purpose. The financial year 2024-2025 has been marked by stable performance. The consolidated revenue was marginally higher. However, the profit before tax has increased substantially. The consolidated revenue for FY25 was approximately Rs. 6422 crores compared to Rs. 6218 crores for FY24. That is up by about 3.3%. The consolidated profit before tax from continuing operations for FY25 was Rs. 477 crores compared to Rs. 383 crores for FY24. That is higher by 24.5%. The orders in the hand position is comfortable. Consolidated orders in hand as on March 31, 2025, is Rs. 8077 crores. Of the consolidated order book, 79% is for industrial project business and 21% is for manufacturing business. The total order book includes Rs. 1493 crores for international orders, which is about 21%. The order book is well diversified across various sectors and customers. We are seeing good demand for our product lines because of significant investments coming up in our customer industries, including power, oil and gas, petrochemicals, sugar, steel, cement, ports and railways.

The demand is good from private sector companies as well as from the public sector companies. As you know, all our product lines are designed to cater to multiple customer industries. In the industrial project business, while orders are readily available, we are focusing on orders where we can expect the customers to value our technological strength and to go for projects which offer reasonable margins and cash flow.

In line with our strategy to diversify our markets and revenue base, we have enhanced our focus on export markets and are seeing good inquiries, particularly for our industrial project business from selected countries in Asia, Africa and Latin America. In the manufacturing business, we expect the

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demand to continue to grow in all our product lines, including presses, boiler tubes and panels, and iron castings and alloy steel castings. We have now started offering higher value-added products like skids and modules.

We are drawing up capital investment plans, and we expect to substantially increase our manufacturing capabilities in the next few years. Accordingly, a new manufacturing facility at Bhartoli in Haryana, about 25 kilometres away from our existing factory at Yamuna Nagar, is being set up. This plot is about 50 acres, and presently we are establishing this facility to enhance our press manufacturing capacity.

Other investments are also being planned, and a new facility is proposed to be set up at our existing land in Dhej, Gujarat, to manufacture large and heavy-sized skids and modules. We are constantly upgrading our technical skills and have been successful in adding value-added products and getting into adjacencies this year. We are also evaluating opportunities in the Green Energy Space to offer products and projects but are yet to narrow down our exact position.

Shareholders would know that there are some challenges in the global economy due to factors such as wars, geopolitical tensions, the US tariff war, volatility in raw material prices, as well as increasing shipment times for imports and exports. We are taking proactive steps to manage these challenges, and we expect our Company to continue to do well and grow for the next many years. I would now like to speak about our three major subsidiaries.

Saraswati Sugar Mills Limited, our wholly owned subsidiary, is doing satisfactorily. The income was lower mainly because of lower production of sugar due to lower availability of sugarcane. The total income for FY 25 was Rs. 749 crores compared to Rs. 826 crores in the previous financial year. ISGEC Hitachi Zosen Limited, our subsidiary and joint venture company, is doing well. The total income increased to Rs. 615 crores during FY 25 compared to Rs. 478 crores during FY 24. Its order book is very encouraging. It had Rs. 853 crores worth of orders at the end of March 2025.

Cavite Biofuel Producers, Inc., Philippines. Shareholders would have noted that Cavite Biofuel Producers, Inc., Philippines, our step-down subsidiary company, completed the setting up of the ethanol plant during the financial year 2024-2025. The plant was operational for a few months and produced a very good quality of ethanol using sugarcane and molasses as feedstock. In December 2024, our step-down subsidiary company is Isgec Investments Pte Limited, Singapore, which holds substantial stake in Cavite Biofuel Producers, Inc., through its wholly owned subsidiary and step-down subsidiaries, entered into a sale agreement for selling its entire stake in the above subsidiaries and step-down subsidiaries, including Cavite Biofuel Producers, Inc., Philippines, along with related loans and receivables. Unfortunately, the buyer has not been able to make the payments.

We shall keep the shareholders and stock exchanges informed about future developments in due course. We continue to be optimistic about Isgec's 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 us keep abreast of the latest and most relevant technologies, extensive experience honed over decades, and the right quality of people. We believe we are well-positioned to continue to strengthen our financial metrics and to serve the community and people at large.

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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.

Company Secretary: Thank you, Sir. We have received a request from Mr. Gaurav Sud to speak at the AGM. I now invite Mr Gaurav Sud to address the meeting and share his views.

Asha, can you please check?

Moderator: Yes. Hi, I am Asha from the Secretarial Department. As per the attendance, I am confirming that Mr. Gaurav Sud has yet not joined the meeting.

Company Secretary: Thank you, Asha. 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, Kishore Sir.

Kishore Chatnani: I will read out the queries and I can answer, or Mr. Puri can choose to answer. The first query is about, please give the status of the sale of step-down subsidiaries. So, Mr Puri, in his address, has already mentioned that our subsidiary company, Isgec Investments, Singapore, had entered into a sale agreement. Unfortunately, the payment has not yet come in from the buyer. So, we are still expecting that the buyer may make the payment. Otherwise, we have other options that we are considering, which we will inform you in due course.

The next question is, there is good order win in Q1 FY26. Can you please elaborate on this? Also, what is the order win target in FY26? So, Sir, would you like to answer that? Order win target in FY26?

Managing Director: So, order win target means you are looking for a figure?

Kishore Chatnani: Right.

Managing Director: So, we would like to book about Rs.6,500 to Rs.7,000 crores. The target spread over various subsidiaries, engineering subsidiaries and the main Company.

Kishore Chatnani: Right. I think this is also you had mentioned in your address that there are good inquiries, and almost all of our customer industries are investing.

The next question is, the next request to have regular result conference calls. This brings lots of transparency. Thank you.

Managing Director: Kishore, you please take this. Yes.

Kishore Chatnani: So, we have noted your request. We will certainly start having regular conference calls to explain the results and to keep the shareholders informed of developments on a quarterly basis. These questions were from our shareholder called Mani Lal.

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There is another shareholder question. It is actually Mr. Praveen Kumar. He says warm regards. That is all.

Chairman: He says what Kishore? Warm regards.

Kishore Chatnani: He is expressing warm regards.

Chairman: Let us reciprocate the regards.

Kishore Chatnani: Right. Those are the only two questions at this time.

Company Secretary: Sir, may we move ahead, sir?

Chairman: Yeah. Thank you, sir. So, before the conclusion, I would like to confirm that Mr. Pramod Kothari, scrutinizer is present in the AGM. He will scrutinize the votes cast through the remote e-voting facility available till yesterday evening and the e-voting at this AGM being provided. Thereafter, he will issue us his scrutinizer report. The voting result and scrutinizer's report will be disclosed on the website of the Company as well as on the website of the stock exchanges within the prescribed time period of two working days.

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 the Chairman, Sir, Directors, and auditors for their presence and support at all times. Now, we are at the end of this AGM.

Please be informed that the e-voting window will remain open for 15 minutes. Request to please cast your vote if you couldn't earlier. Thank you very much.

Have a nice day. Stay safe and healthy.

Chairman: Thank you, shareholders.

Managing Director: Thank you. Thank you, everybody.

E-voting in progress.