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Ho-425-S

Dated: 20.08.2020

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

Dear Sir/Madam,

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

**Sub: Investor Presentation on financial performance of the  
quarter ended June 30, 2020**

1. This is further to our letter bearing Ref no.Ho-425-S dated August 17, 2020, wherein we had given an advance intimation of the upcoming Investor Conference Call organised by the Company on Friday, August 21, 2020 at 16:00 hours (IST) to discuss the financial performance of the Company of the quarter ended June 30, 2020.
2. In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Investor Presentation on the financial performance of the quarter ended June 30, 2020, which would be shared with the Investors.
3. This Investor Presentation is also available on the website of the Company [www.isgpec.com](http://www.isgpec.com).
4. The above is for your information and records, please.

Thanking you,

Yours faithfully,  
For Isgpec Heavy Engineering Limited

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

Encl: as above



**ISGEC HEAVY  
ENGINEERING LTD.**

# **Investor Presentation**

20<sup>th</sup> August 2020



# Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by ISGEC Heavy Engineering Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contractor binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



# Agenda

- 1 Company Overview
- 2 Business Capabilities
- 3 Market Leadership
- 4 COVID 19 Impact
- 5 Financial Performance
- 6 Giving Back To Society
- 7 Key Investment Highlights



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# ISGEC at a glance

A Diversified Heavy Engineering Company engaged in Manufacturing and Project Businesses.  
 Manufacturing of Presses, Castings and Process Equipment.  
 Turnkey Projects for setting up Boilers, FGD's, Sugar Plants, Distilleries, Power Plants and Bulk Material Handling facilities.

## FY 20

➤ Revenue	➤ EBITDA	➤ Net Worth	➤ EPS
₹ <b>58,522</b> mn	₹ <b>3,568</b> mn	₹ <b>19,353</b> mn	₹ <b>19.9</b>

## Q1 FY21

➤ Revenue	➤ EBITDA	➤ PAT	➤ Order Book*
₹ <b>10,489</b> mn	₹ <b>963</b> mn	₹ <b>425</b> mn	₹ <b>65,460</b> mn

Figures as per consolidated financials  
 \* Order Book as on 30<sup>th</sup> June 2020



## Diversified Heavy Engineering Company



Mix of Manufacturing and Project Businesses  
Mix of Domestic & Export Revenues  
Wide Spectrum of User Segment

## Strong Human Capital



**4,111** Employees across locations in India, Canada,  
USA and Philippines  
**900** qualified engineers



## Trusted Partner

Technology tie-ups and JVs with leading global firms

## Robust Balance Sheet



FY20 Net Worth of **INR 19,353 Mn**  
Strong Credit Rating - ICRA Credit Rating of **AA (Stable)**  
and **A1+**

## Highly Experienced Management



**75+** years of providing engineering solutions to customers globally.

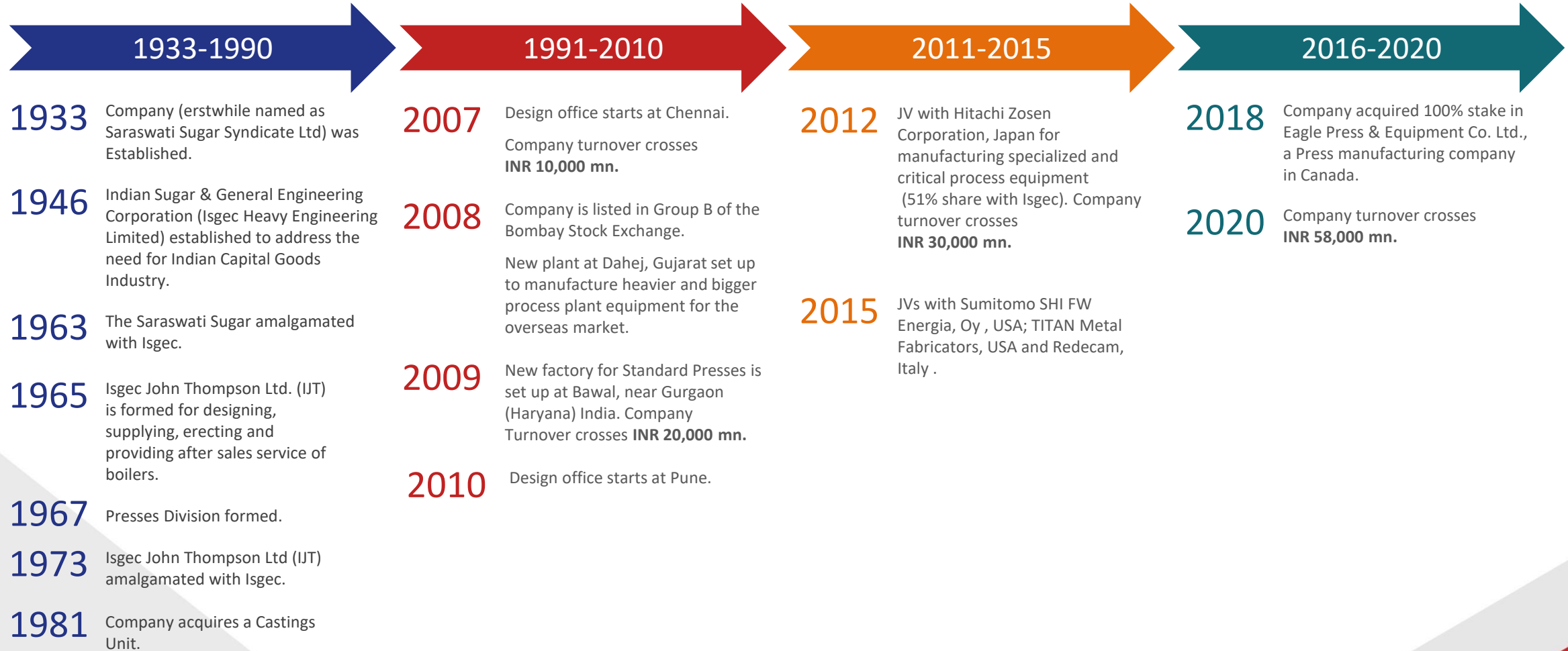


## Global reach

Presence across **91** countries across **6** continents

# Our Journey

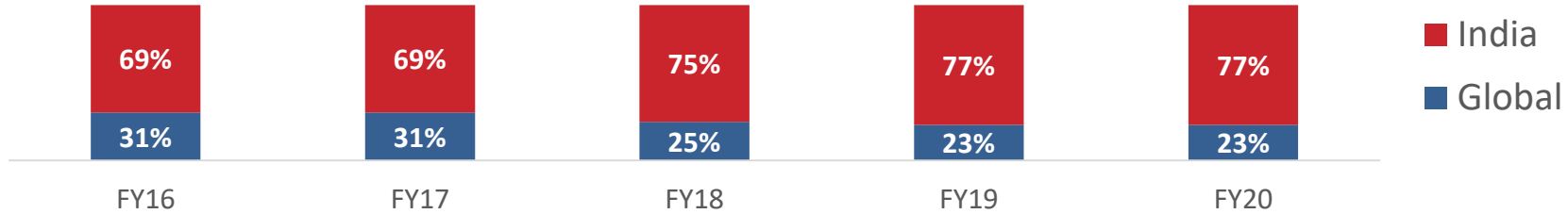
What started off in 1933 as a Sugar Manufacturing Company has been transformed into a Diversified Heavy Engineering Company with 91% of our Consolidated Revenues coming from Engineering Products and Projects



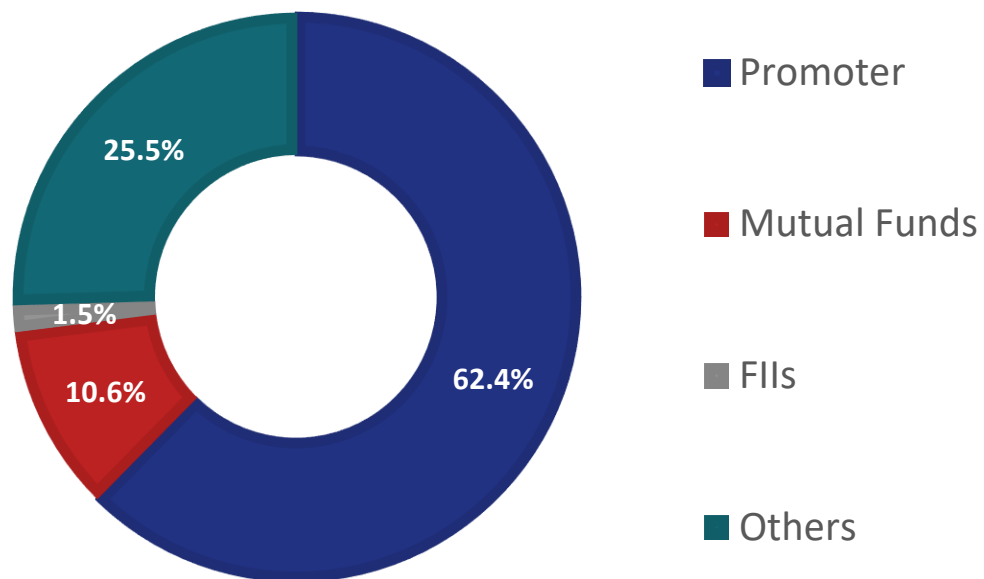


# Global Footprint - Presence across 91 countries

Sales from outside India contributed ~23% of Total Revenue in FY20



Shareholding structure – 30<sup>th</sup> June 2020



Shareholder Information as on 30<sup>th</sup> June 2020

BSE Ticker	533033
Market Cap (INR Mn)	16,563
% Free- float	38%
Free Float Market Cap (INR Mn)	6,294
Shares Outstanding (Mn)	73.5
3M ADTV (Shares)	11,676
3M ADTV (INR Mn)	2.8
Industry	Industrial Machinery

**Promoter shares are unencumbered**

# Our Team



## Board of Directors

Mr. Ranjit Puri	Non-Executive Chairman & Promoter
Mr. Aditya Puri	Managing Director & Promoter
Mrs. Nina Puri	Whole-time Director & Promoter

## 7 Non-Executive Independent Directors

Mr. Vinod K. Nagpal
Mr. Tahir Hasan
Mr. Vinod Kumar Sachdeva
Mr. Arun Kathpalia
Mr. Sidharth Prasad
Mr. Vishal Kirti Keshav Marwaha
Mrs. Shivani Hazari

## Our Team

Mr. S.K. Khorana	Executive Director & Company Secretary	
Mr. Ravi Jaidka	Executive Director	
Mr. Kishore Chatnani	Chief Financial Officer	
Mr. Sanjay Gulati	Business Head	Process Equipment Division
Mr. Vivek Nigam	Business Head	Machine Building Division
Mr. PVN Sanjay	Business Head	EPC Division (Power Plants, Material Handling, Factories Construction)
Mr. V K Luthra	Business Head	Boiler Division
Mr. Suman Jain	Business Head	FGD and Air Pollution Control Division
Mr. Sanjay Awasthi	Business Head	Sugar Machinery and Distilleries Division
Mr. Yogesh Marwaha	Head	International Marketing
Mr. Shalabh Singh	Head	Corporate Business Development



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# State-of-the-art Infra & Manufacturing Capabilities



## **Yamunanagar, Haryana**

Pressure Vessels & Heat exchangers,  
Presses, Boilers, Containers, Castings,  
Sugar and other Industrial Machinery



## **Rattangarh, Haryana**

Boiler Components



## **Bawal, Haryana**

Mechanical Presses and  
other Industrial  
Machinery



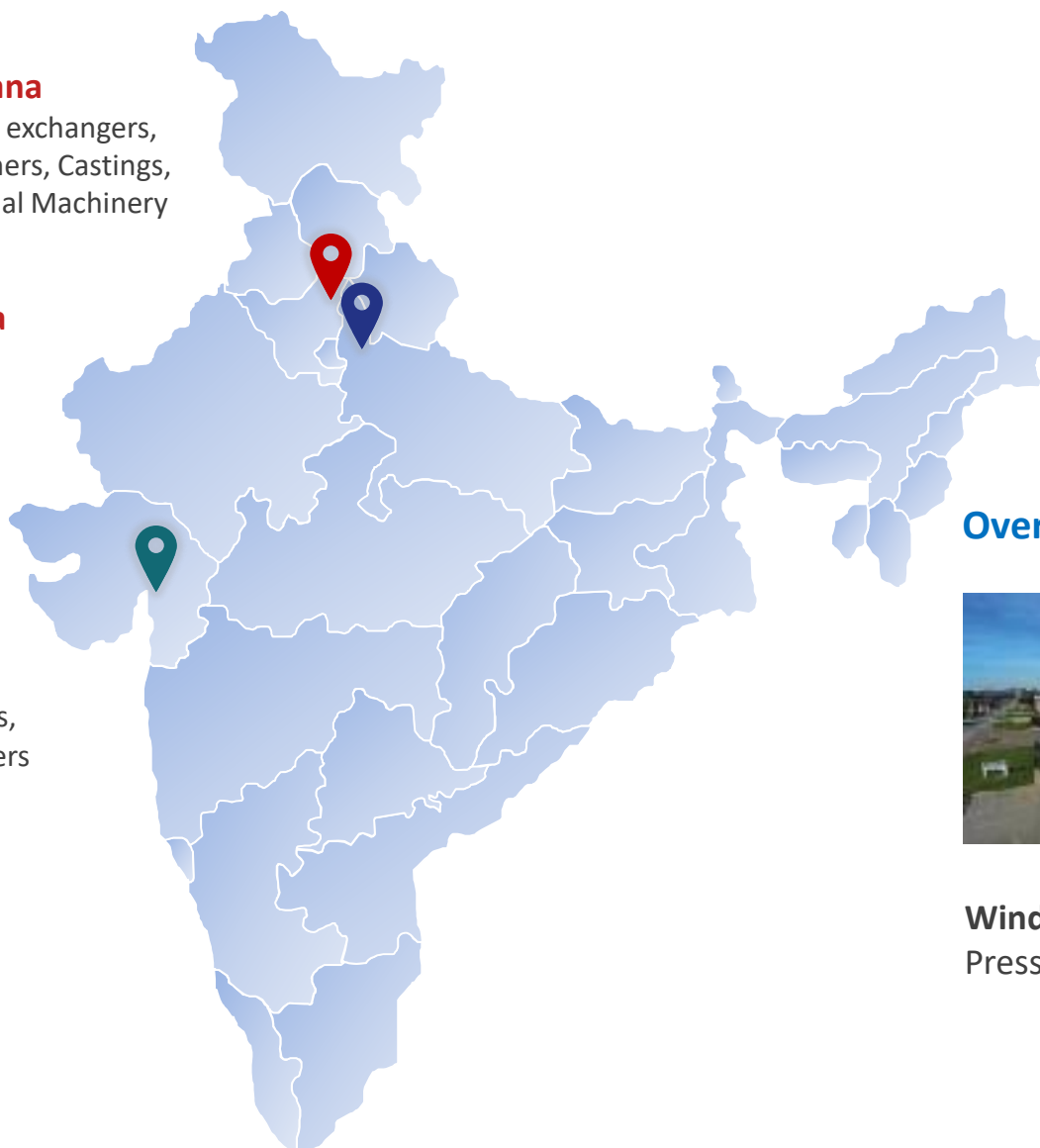
## **Dahej, Gujarat**

Reactor Pressure Vessels,  
Columns, Heat Exchangers



## **Muzaffarnagar, UP**

Castings



## **Overseas facility**



## **Windsor, Canada**

Presses

# Building Strength with Acquisitions and JVs



## Saraswati Sugar Mills Ltd.

With cane crushing capacity of ~ 10000 TCD, having highest sugar recovery in Punjab and Haryana for the past 10 years



100%



## Eagle Press & Equipment Co. Ltd.

Press manufacturing company in Windsor (Ontario) Canada

51%



## ISGEC Hitachi Zosen Ltd.

JV with Hitachi Zosen Corp., Japan to manufacture specialized & critical Process Equipment



## ISGEC Titan Metal Fabricators Pvt. Ltd.

JV with Titan Metal Fabricators, USA for manufacture of corrosion-resistant metals & alloys process equipment



## ISGEC SFW Boilers Pvt. Ltd.

JV with Amec Foster Wheeler (now Sumitomo SHI FW Energia, Oy) for engineering their Global Boiler Projects



## ISGEC Redecam Enviro Solutions Pvt. Ltd.

JV with Redecam, Italy for manufacture, testing, commissioning of Bag Filters



# Engineering for Excellence - Our Business Segments

ISGEC is a significant global player across business areas in Manufacturing and EPC

## Manufacturing

Process Equipment



Iron & Steel Castings



Boiler Tubes & Panels



Presses



Contract Manufacturing



Liquefiable Gas Containers



## Engineering & Projects



Sugar Plants & Distilleries



Air Pollution Control Equipment



Industrial Boilers



Power Projects



Bulk Material Handling



Buildings & Factories



Industrial Waste Water Treatment



Civil Infrastructure



# Catering to Wide Spectrum of Industries



**Railways**



**Power**



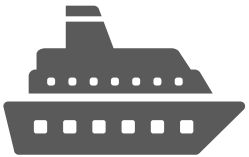
**Fertilizer**



**Cement**



**Mines**



**Ports**



**Oil & Gas**



**Steel**



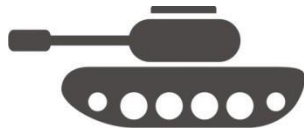
**Chemical**



**Space**



**Automobiles**



**Defence**



**Sugar**



**Distillery**



**Paper**



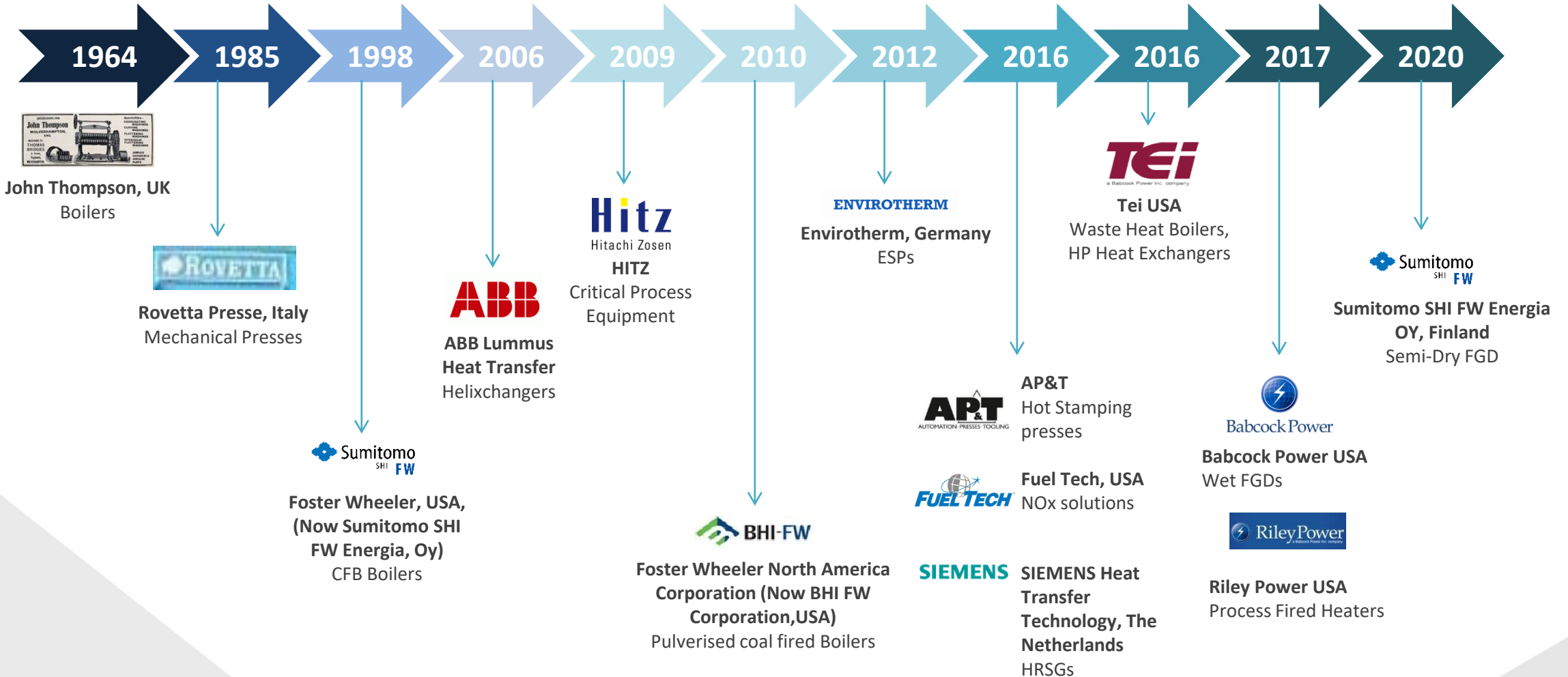
**Water Treatment**

# Serving Global and Domestic Clients

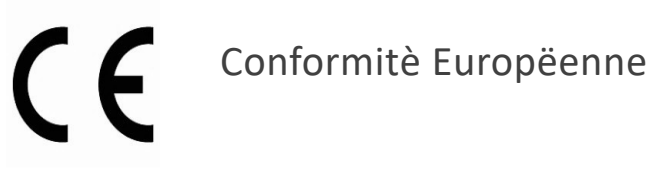




# Technology Infusion across the Years



# Standing Strong with Global Quality Benchmarks







# Positioned No.1 / No. 2 in most Business Lines

## Market Leadership

- Hydraulic & Mechanical Presses
- Process Equipment
- Sugar Plants
- Slop Fired Boilers
- CFB Boilers
- Oil & Gas Boilers
- Traveling Grate Boilers
- Bubbling Bed Boilers
- Liquefiable Gas Containers
- Made to order large steel castings

### Rankings

<b>ET 500</b>	279 (2019)
<b>Fortune India 500</b>	259 (2019)
<b>Business Today 500</b>	397 (2019)



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# Update on COVID-19 Impact (1/2)

- All factories are now working at full capacity and there are no labour issues.
- All the project sites are running. Average manpower is 95% of required manpower at most sites. Currently because of some skill mismatch between available manpower at sites, the productivity not optimal, but the situation is improving every day.
- Offices have been working with 50% workforce, and employees have been following alternate week/ alternate day rosters. The rest of the Office employees Work from home on the days that they are not working from Office.
- We have implemented complete sanitization of all our facilities. Strict temperature checks, distancing in work stations and seating, distancing in transport and other precautionary measures have been implemented at all our facilities and sites
- Supply chain has largely recovered. All our large vendors are now working at 100% capacity and other small vendors are working at about 50% to 100% capacity.
- Transport, Logistics and ports are working normally.



## Update on COVID-19 Impact (2/2)

- We had about Rs. 6,900 Crores of Orders in hand as on 1st April 2020.
- Less than 2% of our existing orders from customers have been put on hold, cancelled or deferred.
- The management is making continuous efforts to minimize effect on the operations in India and abroad during this time.
- We are getting good enquiries for most of our business divisions, but order finalization has been slow. We expect many of the enquiries to be finalized soon, especially from PSU's.
- Collection of payments from customers has normalized.
- Staff Cost: The Company has implemented a cut in compensation for FY21 and has optimised manpower in some business areas, which would reduce the employee cost by around 15%.
- Adequate capital and financial resources: The Company has adequate financial resources in terms of liquid investments and borrowing limits available with banks for smooth running of business. We are well placed to meet all our obligations.

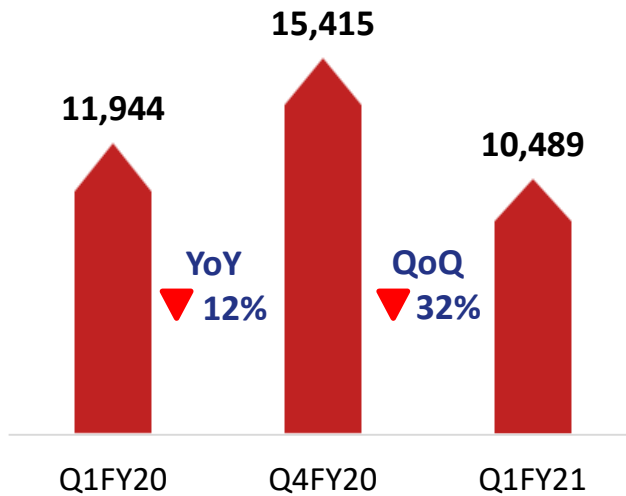


# Performance Highlights

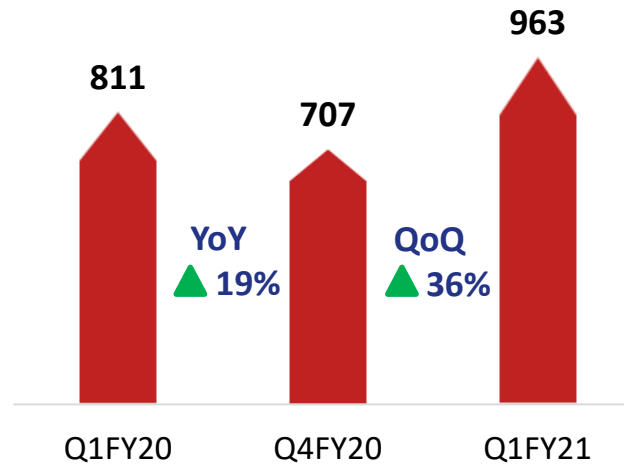
## Q1FY21 - Improved profitability despite the challenging environment

In INR Mn

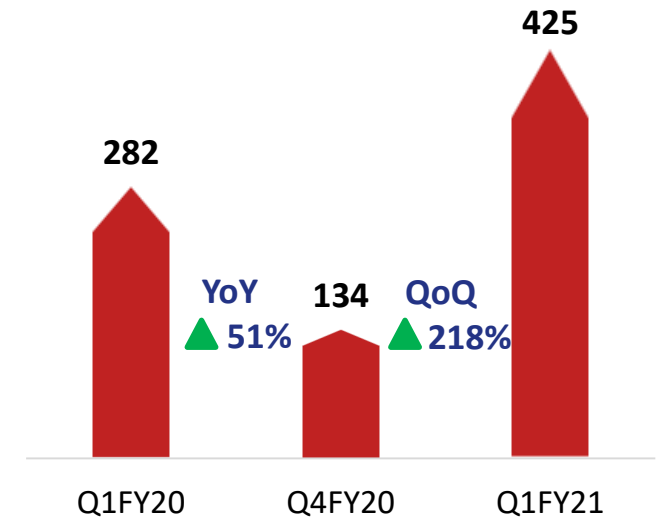
### Revenue



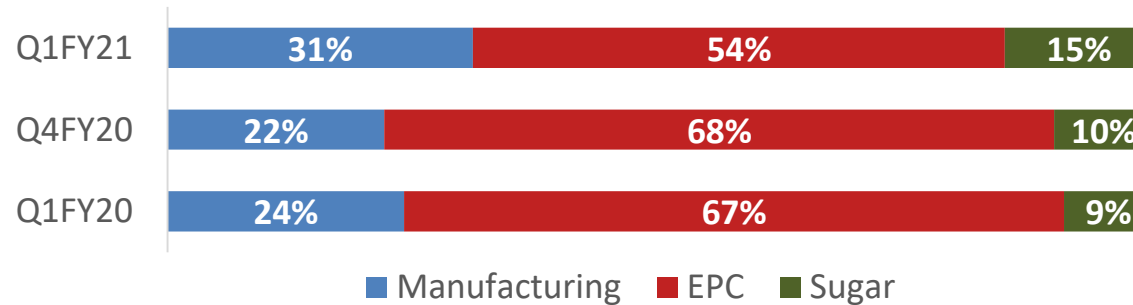
### EBITDA



### PAT



### Segment Revenue Contribution

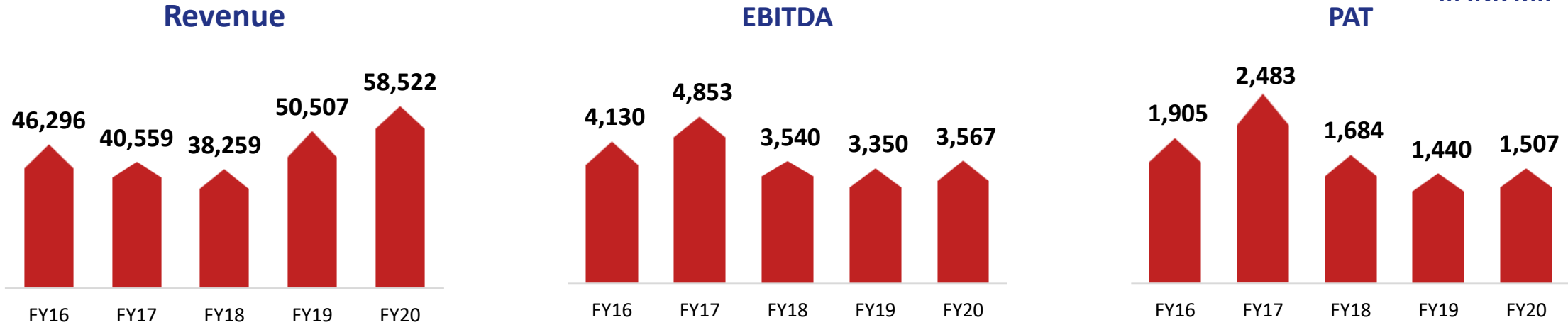


Figures as per consolidated financials

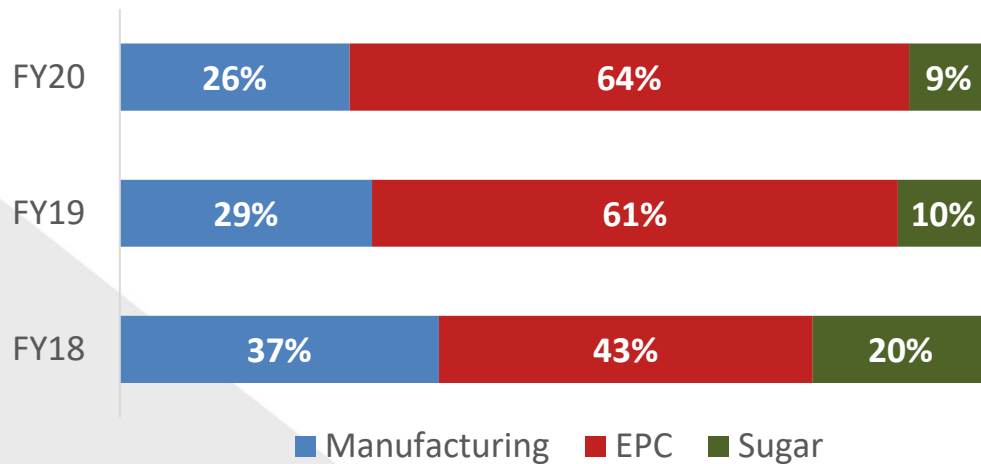


# Financial Performance Trend

In INR Mn



## Segment Revenue



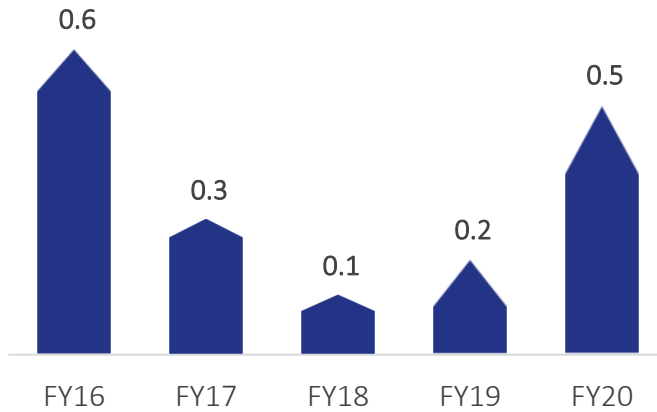
**Robust revenue growth led by strong execution and healthy orderbook, in a very competitive market**

**Strong EPC order book, supported by best-in-class capabilities, provide healthy growth visibility**

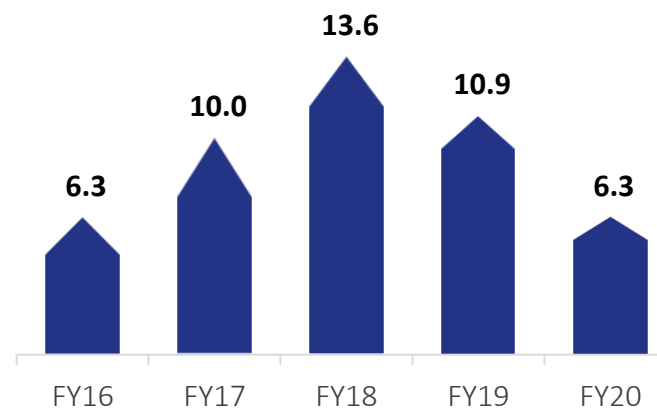
Figures as per FY20 consolidated financials

# Key Ratios

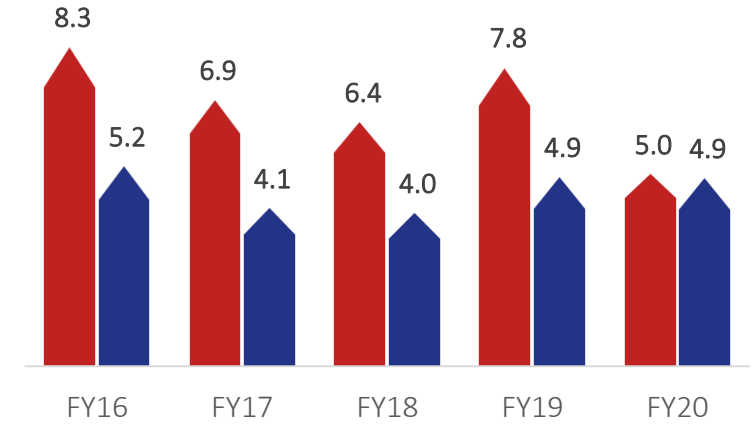
### Total Debt/Equity



### Interest Coverage Ratio



### Turnover Ratio



■ Fixed assets ■ Inventory

\* Total Debt includes all interest bearing liabilities.

Interest coverage ratio= EBIT/Interest

Fixed asset turnover= Operating Revenue/Average fixed assets, Inventory turnover= Operating Revenue/Average Inventory







# Giving Back To Society: A Few of the Activities Undertaken

- Remedial Classes for 250 Less Privileged Children at Nai Disha Educational & Cultural Society, an NGO (Stationary / Bags / Shoes / Sweaters / Mid Day Meals / Water / Dental Kits / Health Camp / etc)
- Solar Energy Systems for Rural / Semi Urban Govt. Schools
- Rain Water Harvesting Systems for Rural / Semi Urban Govt. Schools
- Recharging of Aquifers through Village Ponds
- Fans, Green Boards, Furniture and Building Repairs for Schools
- Apprenticeship for Training & Skill Development
- Construction of Sports facilities in Government Schools
- Contribution to Haryana Corona Relief Fund



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# Key Investment Highlights



Presence in  
Multiple Core  
Sectors-  
Spreading  
Market Risk



Comfortably  
placed to  
Survive Down  
cycles



Leadership  
position in  
most  
businesses



Continued focus  
on niche  
technologies



Geographically  
diversified  
portfolio  
mitigating  
concentration  
risk



Constant  
Forays into  
Futuristic  
Business Lines





**ISGEC HEAVY  
ENGINEERING LTD.**

**THANK YOU**

**ISGEC HEAVY ENGINEERING LIMITED, INDIA**

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