



## **Data Patterns (India) Limited**

**Transcript of the 25<sup>th</sup> Annual General Meeting  
held on August 09, 2023 at 11.00 A.M., IST  
through Video Conferencing (OV) / Other Audio Visual Means ("VC/OAVM")**

**Moderator:** Dear members of Data Patterns (India) Limited, Good morning and warm welcome to the 25<sup>th</sup> Annual General Meeting held through video conferencing or other audio visual facility. For smooth conduct of the Meeting, all the shareholders will be on mute mode. The audio and video of the speaker shareholders will be enabled once they are invited to speak at the time of Question & Answer session by the Chairman / Company Secretary and Compliance Officer. The proceedings of the AGM are being recorded and the transcript will be uploaded on the website of the Company after the AGM is over. Now, I hand over the proceedings to the Chairman of the Company.

**Chairman:** Ladies and gentlemen, esteemed attendees of our Annual General Meeting, I extend my warm greetings to each of you on this auspicious day. I sincerely welcome each participant joining us for this year's Annual General Meeting, which incidentally is our 25<sup>th</sup> AGM. The AGM of the Company is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI from time to time. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. Our Company Secretary has confirmed that requisite quorum is present. I declare that this meeting is in order.

I also want to let you know that the following directors of the company who are attending the meeting, Mrs. Rekha Murthy Rangarajan, Mr. Vijay Ananth, Mr. Prasad Raghava Menon, Mr. Soumyam Ramakrishnan, Ms. Anuradha Sharma are also attending the meeting. Mr. Sastry Vadlamani and Mr. Matthew Cyriac are unable to attend the meeting due to personal reasons.

I acknowledge the attendance of the Statutory Auditors, M/s. R.G.N. Price & Co, (Firm Registration No:002785S) Chartered Accountants and Secretarial Auditors, CS A Mohan Kumar, Practising Company Secretary (Certificate of Practice No. 19145), who have joined this meeting.

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and cast their votes electronically. Members who have not cast their votes yet and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system. I thank all the members, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health.

The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangement has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to [investorgrievance@datapatterns.co.in](mailto:investorgrievance@datapatterns.co.in). As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable and hence, the proxy register for inspection is not available.

As required under Section 108 of the Companies Act, 2013 and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided opportunity for the Members to cast their vote electronically on all the resolutions set forth in the Notice of AGM. In order to enable those shareholders who are present in this meeting and who have not exercised remote E-Voting, the Company is providing an opportunity to cast their vote electronically during the Meeting. The electronic voting facility will remain open and available upto 15 minutes after conclusion of this meeting to enable the eligible members to exercise their votes. There will be no voting by show of hands.

The notice has been circulated to all the Members along with the Annual Report of the Company for the Financial Year 2023-24 electronically. Hence, with the consent of the members present, we can take the Notice of the AGM as read.

The Auditor's Report for the year ended March 31, 2023 does not contain any qualification, observation or comments on financial transaction or matters, which have any adverse effect on the functioning of the Company. Therefore, as per Section 145 of the Companies Act, 2013, the Auditor's Report need not be read.

The Secretarial Audit Report issued by the Company Secretary in Practice, will be read out by our Company Secretary and Compliance Officer.

Both Auditor's Report on standalone financial statements and Secretarial Audit Report forms part of the Annual Report circulated to members.

I request Mr. Prakash Raja, Company Secretary to brief the shareholders on the regulatory aspects for this meeting.

**Company Secretary:** Good afternoon to all of you! Members may note that this Annual General Meeting is being held through video conference in accordance with the circulars of the Ministry of Corporate Affairs ("MCA") dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020, June 15 2020, September 28, 2020, December 31, 2020, January 13, 2021, May 05, 2022 and December 28, 2022 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide their circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 (collectively referred to as "SEBI Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

The Annual report of the company for the FY 2022-23 along with the notice has been sent by electronic mail to the Shareholders of the Company on time as required under Section 101 and 102 of Companies Act, 2013 read with Rule 18 of Companies (Management and Administration) Rules, 2014 and the amendments thereto and in line with the MCA circulars and SEBI circulars, to consider and approve the items in Ordinary Business and Special Business as listed out in the Notice of AGM sent to the Shareholders of the Company. The Physical Copy of the Annual Report were sent to those shareholders who have requested for the same.

In terms of the Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management & Administration) Rules, 2014 and amendments thereto, it is mandatory to extend to the shareholders of the Company, the facility to vote on the items on all the resolutions set forth in the Notice of AGM by electronic means.

**Chairman:**

The Company has, as mentioned in the Notice of AGM, engaged the services of M/s. Link Intime India Pvt Ltd. to provide opportunity to the Members to do remote E-Voting which was open from 9.00 a.m. IST on Sunday, August 06, 2023 to 5.00 p.m. IST on Tuesday, August 08, 2023.

The Company has enabled the e-voting facility during the AGM for members who have not voted through remote e-voting and who are present at the AGM and are otherwise not barred from doing so. Kindly follow the instructions mentioned in the Notice of AGM. The e-voting facility will close after 15 minutes from conclusion of the AGM.

Mr. M.D. Selvaraj, FCS, Managing Partner of M/s. MDS & Associates LLP, Company Secretaries, is appointed as scrutinizer to scrutinize the Remote E-Voting Process and the E-Voting facility at the AGM in a fair and transparent manner.

As required under the Secretarial Standards, the qualifications, observations or comments or other remarks if any, mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice, shall be read at the Annual General Meeting. The Secretarial Audit Report states that there was a delay of one day in the intimation to National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Limited (BSE) regarding Board Meeting Intimation under Regulation 29 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Board Meeting held on May 23, 2022. The Stock Exchanges have levied fine for the one-day delay and the same was duly paid by the Company. There was one more instance of delay of 8 days in filing disclosure on Related Party Transaction for the half year ended March 31, 2022, pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The NSE has levied fine for the delay and the same was duly paid by the Company. Attention of Members present is drawn to the comments given by the Board of Directors on the above in their report under page 39 of the Annual Report 2022-23.

I draw the attention of the Members that the Company has received questions up to 5:00 p.m. IST on August 07, 2023 from the Members with regard to the financial statements or any other matter placed in the 25th AGM. Also, the Company has received request from some members by registering themselves as a speaker to ask questions during the 25th AGM. Depending upon the availability of time availability, the Company will provide 3 minutes for each speaker who has registered with the Company to ask questions during the 25th AGM. We request the speaker members to restrict the questions only pertaining to the Notice of 25th AGM and Annual Report for the financial year 2022-23. The Company

reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Members are requested to refer to the Instructions provided in the notice for seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers provided in the notice.

The Results of the Voting including remote E-Voting along with scrutinizer's report would be placed on the website of the Company and also on the website of M/s Link Intime India Pvt Ltd by August 11, 2023 and shall also be submitted to the Stock Exchanges.

The fiscal year FY23 has been one of significant interest to our organization. Our esteemed company, Data Patterns (India) Limited, stands as a prominent player in the Defence and Aerospace Electronics sector in India, with over three decades of invaluable experience and in-house design and development capabilities. Throughout these three decades, we have invested extensively in a robust and scalable business model, which has borne remarkable fruits during FY23.

The fiscal year 2023 has been particularly noteworthy for us for more than one reason. Firstly, we successfully completed one full year of listing, delivering exceptional shareholder value. Another pivotal moment for us during FY23 was our successful fundraising through Qualified Institutional Placement (QIP). This strategic move has enabled us to raise funds for the development of cutting-edge products in the realms of Satellite, Radars, Electronic Warfare systems, and Communication equipment. These products, which hold immense promise, will initially be introduced in the domestic market, with plans for expansion into international markets. The QIP represents a significant step towards strengthening our capabilities and positioning ourselves at the forefront of innovation in the Defense and Aerospace Electronics sector.

The company achieved an impressive 46% revenue growth, exceeding our projections, while net profits for the year recorded a commendable growth rate of 32%. A consistent performance quarter after quarter has contributed to a reduction in business seasonality, enhancing our overall stability. Additionally, our strong order book, boasting a record order inflow of Rs. 901 crores during the year, signifies a promising growth trajectory for the company.

At Data Patterns, we take immense pride in our robust in-house design, and engineering capabilities, which enable meticulous manufacturing of every component within the Company. This approach is fully aligned with the principles of Atma Nirbhar and Make in India, along with other governmental defense procurement policies, ensuring optimal value creation. Moreover, we have proactively expanded our manufacturing facilities to enhance scalability, utilizing the IPO proceeds effectively. These efforts have bolstered our system integration facility and manufacturing and testing facilities in Chennai, further strengthening our position in the market.

Remarkably, the Indian economy experienced a substantial growth rate of 6.8% in FY23, far exceeding the global average. This exceptional growth was primarily driven by factors such as digitization, prudent fiscal policies, an emphasis on infrastructure development, stabilized commodity prices, resilient supply chains, robust domestic demand, heightened investment activity fueled by the government's push for infrastructure investment, and a buoyant private consumption, particularly among the higher-income segments.

Furthermore, the Government of India has demonstrated a strong commitment to infrastructure development by allocating a capital expenditure (capex) budget that is nearly three times the amount spent in FY 2019-20. This strategic allocation aims to ensure equitable and inclusive investments across the nation and aligns with the Government's long-term vision, focusing on the Four I's -



Infrastructure, Investment, Innovation, and Inclusion over the next 25 years.

In the financial year 2023-24, the Ministry of Defense has been allocated a budget of Rs 5,93,537.64 crore, marking a substantial 13% increase compared to the previous year's allocation. India, being the second-largest global armed forces power, has been actively working to increase its share of the global defense export market. Remarkably, in FY23, Indian defense companies successfully exported defense-related products worth Rs. 15,198 crore, witnessing a significant growth from the Rs. 1,521 crore exported in FY17. This achievement has been driven by strategic initiatives like 'Make in India' and 'Atmanirbhar Bharat,' which have contributed to the sector's momentum, bringing India closer to achieving its target of Rs. 25,000 crores in exports by 2025.

In FY23, we have achieved remarkable milestones, which is a testament to the strength of our organization and the collective spirit of our team. With determination and an unwavering focus on excellence, we embrace new challenges and seize opportunities as we continue to script the next chapter in our success story.

We now move on to the first item of the AGM Notice,

Ordinary Business:

Item No. 1 - Adoption of Audited Financial statements for the financial year ended March 31, 2023 together with the Report of the Board of Directors and Auditors thereon.

Objective and Implication of the Resolution:

As per Section 129 of the Companies Act, 2013, the financial statements of the Company for the financial year shall be laid before the Annual General Meeting for consideration and adoption.

The Annual Audited Accounts have already been circulated to the members for their consideration.

The resolution is to be passed as an Ordinary Resolution.

Item No. 2 - Declaration of Final Dividend of Rs. 4.50/- per Equity Share of Rs. 2/- each for the Financial Year 2022-23.

Objective and Implication of the Resolution:

The Board of Directors have recommended final dividend of Rs.4.50/- per equity share of Rs.2/- each for the financial year ended March 31, 2023. The Dividend as recommended by the Board of Directors, if declared at this AGM will be paid to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Wednesday, August 02, 2023. The Dividend, if declared at this AGM will be paid on or before September 08, 2023. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates.

The resolution is to be passed as an Ordinary Resolution.

Item No.3 - Re-appointment of Mr. Mathew Cyriac (DIN: 01903606) as Director, who retires by rotation and being eligible, offers himself for reappointment as a Director.

Objective and Implication of the Resolution:

As per Section 152(6) of Companies Act, 2013, 1/3rd of the directors to retire by rotation every year. For the purpose of computing the number of directors to retire by rotation, the independent directors are excluded. In this Annual General Meeting, one director will have to retire by rotation and being eligible for reappointment can be re-appointed. The identification of person to retire by rotation is determined based on the seniority of date of appointment.

Accordingly, this year, Mr. Mathew Cyriac (DIN: 01903606) retires by rotation and being eligible offered himself for re-appointment as the Director in this Annual General Meeting.

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the information in respect of Mr. Mathew Cyriac (DIN: 01903606) seeking re-appointment as a Director forms integral part of the notice of Annual General Meeting.

The resolution is to be passed as an Ordinary Resolution.

Item No.4 - Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company

Objective and Implication of the Resolution:

As per Section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years (i.e. 10 consecutive years). M/s. R.G.N. Price & Co., Chartered Accountants, will be completing their tenure at the end of this 25th Annual General Meeting. (i.e. 10 consecutive years as the Statutory Auditor of the Company). Hence, there is a requirement to change the Statutory Auditor of the Company as per the provisions of Section 139 of the Companies Act, 2013.

The Audit Committee and the Board of Directors, at its meeting held on May 13, 2023, recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as the statutory auditors of the Company to hold office for first term of five consecutive years from the conclusion of the 25th AGM until the conclusion of the 30th AGM to be held in the year 2028. The appointment is subject to approval of the shareholders of the Company in this AGM.

The resolution is to be passed as an Ordinary Resolution.

**Special Business:**

Item No.5 - Appointment of CMA Sunderasan, Cost Accountant, (Membership No. 11733), as Cost Auditors of the Company.

Objective and Implication of the Resolution:

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants, as Cost Auditors of the Company on such remuneration as may be determined by the Board of Directors subject to the ratification by the shareholders at the General Meeting.

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of CMA G Sunderasan, Cost Accountant, (Membership No. 11733) as the Cost Auditor of the Company for a period of 3 years from the financial year 2023-24. Accordingly, consent of the members is sought for the appointment of the Cost Auditors for conducting the cost audit of the Company.

The resolution is to be passed as an Ordinary Resolution.

Item No.6 - Approval to continue the directorship of Mr. Sowmyan Ramakrishnan (DIN: 00005090), as Non-Executive Independent Director of the Company beyond the age of 75 years.

Objective and Implication of the Resolution:

In terms of the Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 01, 2019, no listed Company shall appoint or continue the appointment of a Non-executive director, who has attained the age of 75 years, unless a special resolution is passed to that effect.

Mr. Sowmyan Ramakrishnan was appointed as a Non-Executive Independent Director of the Company by the members at the 23rd Annual General Meeting of the Company held on August 12, 2021 for a period of five consecutive years commencing from September 10, 2021 to September 09, 2026. Mr. Sowmyan Ramakrishnan will attain the age of 75 years on February 19, 2024 and approval of members is required for the continuation of his directorship from the day he attains the age of 75 years till the expiry of his current term till September 09, 2026.

The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

The resolution is to be passed as a Special Resolution.

Item No.7 - Approval to continue the directorship of Dr. Sastry Venkata Rama Vadlamani (DIN: 00027875), as Non-Executive Independent Director of the Company beyond the age of 75 years.

Objective and Implication of the Resolution:

In terms of the Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 01, 2019, no listed Company shall appoint or continue the appointment of a Non-executive director, who has attained the age of 75 years, unless a special resolution is passed to that effect.

Dr. Sastry Venkata Rama Vadlamani was appointed as a Non-Executive Independent Director of the Company by the members at the 23rd Annual General Meeting of the Company held on August 12, 2021 for a period of five consecutive years commencing from September 10, 2021 to September 09, 2026. Dr. Sastry Venkata Rama Vadlamani will attain the age of 75 years on April 23, 2024 and approval of members is required for the continuation of his

directorship from the day he attains the age of 75 years till the expiry of his current term till September 09, 2026.

The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

The resolution is to be passed as a Special Resolution.

Item No.8 - Approval for payment of commission to Non-Executive Directors (i.e., Directors other than the Managing Director and/or the Whole-time Directors).

Objective and Implication of the Resolution:

The Company's Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, amongst others. With the complexity of managing business increasing by the day, the Non-Executive Directors are nowadays required to devote considerable time and effort towards the business activities of the Company. The Company's Non-Executive Directors have been shaping and steering the long-term strategy and making invaluable contributions towards the Company's strategy, monitoring of risk management and compliances.

Considering the above, the Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company by means of passing special resolution, have approved the payment of Commission to Non-Executive Directors of the Company, at the rate of 1% of the net profits or INR 10 million, whichever is lower, to be distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of

Directors (including any Committees thereof ) of the Company, for a term of four (4) Financial Years commencing from April 01, 2023. The quantum of remuneration payable to each of the Non-Executive Directors shall be fixed and decided by the Board of Directors after considering the recommendations of the Nomination and Remuneration Committee. This remuneration shall be in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

The resolution is to be passed as a Special Resolution.

As stated earlier, some Members have registered their name with the Company to speak at the AGM. They can ask any question pertaining to any item on the Notice and Annual Report now. Members are requested to keep their questions brief and specific. The moderator will facilitate the shareholders registered for speaking to ask their questions. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time. To avoid repetition, the answers to all the questions will be provided at the end.

Now, I request the moderator to proceed with Q&A session.

**Moderator:**

Thank You Sir, we shall now proceed to take questions from the Speaker Shareholders. Please mention your name, Folio / DP ID & Client ID Number and the location from where you are joining. As the meeting is being recorded for statutory purpose, the members are requested not to disclose any sensitive personal info of self or others. Each shareholder shall have 3 minutes for their questions. To avoid repetition, the Board will respond to all the questions at the end. Once you have asked your question, you can mute your system and continue to participate in the proceedings.

**Moderator:** Now, we request Mr. Ravi Kumar Naredi to unmute himself and kindly proceed with the question.

**Ravi Kumar Naredi:** Hello, Good morning. Hello, Good morning.

**Chairman:** Good Morning

**Ravi Kumar Naredi:** Yes Sir, Chairperson Mr. S. Rangarajan sir and honorable Board of member and fellow shareholders. What a fantastic way you are running the company, I have no words to praise for you, we are fortunate enough we are a shareholder of Data patterns and making our wealth in your able management, so we give big thanks to you. Sir, what is succession plan for the company? After you who will look after the company that is our concern. Second, what is Capex plan for Financial year 2024 and the number of employees we have planned for increase in financial year 2024 and second quarter and; in quarter 4, our salary charges were 24.37 crore, in quarter 1 it is 21. 89 cr in spite of hike in number of employees, we have lesser charges in quarter 1, so, what is the reason behind that and how much salary we will be hiked and when we will hike, these are our questions and thank you again to you.

**Moderator:** Thank you sir. now, I request Ms. Celestine E Mascarenhas to unmute herself and kindly proceed with the question.

**Celestine Mascarenhas:** Hello, hello, hello

**Moderator:** You are audible madam, you can ask your question

**Celestine Mascarenhas:** I was trying to see my video. ok. I just trying to put the video on. Now it is ok. Ma'am, video is there? Hello, hello, am I audible?

**Moderator:** Video is there; you can ask your question madam.



**Celestine Mascarenhas:** Sure Sure. Respected Chairman and MD, S. Rangarajan, other members of the Board, my dear fellow shareholders attending this VC meet, I am Mrs. C E Mascarenhas, I am speaking from Mumbai. You need this thing 1205145 090218. I first thank the Company Secretary, Mr. Prakash R and his team for sending me an Annual Report and also registering me as a speaker at my request and giving me this platform to talk, thank you so much. Our revenues are up, our PBT, PAT is up, we are nearly debt free, dividend is good 4.5 against an EPS of 23.80, now I go for congratulating you and all your team for all the awards and accolades received during the year. Also I congratulate also you all for the past awards which has received and also for the future. I know you will always perform very well and you all will be always have accolades. Good CSR work, keep it. Now my question, I come to my query. First one there are lots is put on ESG, my question here is whether we have gone for ESG rating? And if so, what is our rating score? And our score is good? Then implication of it or the ESG platform, please throw light. My second question is new Manufacturing facility have been commissioned in Q4 FY23, what is the capacity, their utilization and what is the manufacturing? What sort of thing we are manufacturing? My next question is our order book, last year till march 2023 924.1 crores, how many Orders are fully executed and what is the balance, what is the order position we have received in the last six months. Of course something I heard in the analysts something, new order book is 132 crores so throw some light. How much margins, you may not tell me exact amount of margins. you can say margins are good, that is enough because many a times competitors come here and then it means some here and there, so this is the thing I am putting it. Now we have an R&D innovation centre, how many employees are employed there, and specially what is the attrition level, because this is the most sensitive field and very high intellectuals will be there, so, if you could throw what is the average age of these people, do we use to make better AI, MI and cloud computing, ChatGPT, etc etc, these IT tools. How much is spend on that? This raw material has gone up, supply chain bottlenecks are there, what is the position as of now? Rest I support all the resolutions. Now this is the 25<sup>th</sup> year, so some celebration

supposing of course I would not have come to Madras but if it is actual, there would have been celebration, so make us a part by some sweet or something as a remembrance of 25<sup>th</sup> year completed. It is a great achievement, silver jubilee, we are not asking for silvers so it is a big achievement, now all these podiums are there, it can always be shared like in a sweet form on this occasion. My question last is what you want to see our company, these 25 years have gone, what you want to see next 25 years, where we will reach you know. Of course it's a big term, these days you can't even tell for five years what is going to happen you know. But I just want to know from the management what is your dream? One person said succession plan I endorse that whatever it is. Good things will happen because this company, full team is very hardworking. With this I support all the resolutions, I wish my company all the best, may you grow from strength to strength and happy silver jubilee. Thank you so much for giving me this opportunity.

**Moderator:** Thank you madam, now, I request Kanika Jain to unmute herself and kindly proceed with the question.

**Kanika Jain:** Hello, am I audible?

**Moderator:** Yeah, you are audible madam.

**Kanika Jain:** Ok. Good morning, I am Kanika Jain and I am joining from Delhi. So, good morning to chairman sir, Board of Directors, the shareholders attending the meeting. Sir, I have full faith in the management and I want to congratulate the company as our share prices are now four times the price of allotment and I hope price will keep rising more in future also. Sir, I just want to know that the company would bring in split of equity, so that it would increase the liquidity of all shareholders like me. At last I want to say thank you to the Company Secretary, Mr. Prakash ji for solving the queries timely and sending the annual report only in one call and thanks to the whole secretarial department for allowing me to interact with the management and I also hope the company will keep on conducting

the AGM through VC which enables shareholders like me to join from faraway places. Thank you.

**Chairman:** Ms. Jain, I didn't understand the question what is this on the equity? Can you repeat please?

**Kanika Jain:** It's a company's planning to bring the split of equity, split shares.

**Chairman:** Ok, I understand.

**Kanika Jain:** Ok, Thank you.

**Moderator:** Thank you madam, the next speaker is Kothari, he is not available. So we will proceed to the next agenda.

Thank you sir, with this we will conclude the question and answer session from the shareholders. Now, I hand over back to the Chairman of the company.

**Chairman:** I will try to address some of the answers, some of the questions and may be some of the more detailed questions, we will represent, write to us and we will respond individually to the shareholders is what we are thinking. Let me answer some of the questions and some of my colleagues will answer some of the questions brought up. Let me take in order of sequence in which the questions were asked. First is Mr. Ravi Kumar Naredi, he asked about succession plan, the Board is fully seized with this, we have brought in Mr. Vijay Ananth as a Board Member, you know as a first part of the succession plan and lot of deliberations are happening in our Board meetings to have next 2 to 3 years to plan a proper succession plan to see that training and management is brought in to see that smooth succession plan is taking over, so this is, we have seized to the problem and we are addressing this in our board meetings and accordingly our HR initiatives, and other recruitments are on, so we are aware of this, enough effort is being put onto this succession plan.

As regards with our capex and salary, I would ask our CFO to answer this after my question, after salary hikes and other things, Mr. Venkat Subramanian will answer this.

Coming to the second speaker which is Ms. Elizabeth, on ESG rating, I think we will ask Ms. Rekha to answer that question and on the manufacturing facility and the utilizations and manufacturing, I have to say that our company is moving or you know, graduating from building small systems electronic boxes to large systems and complete radars, complete satellites, some of these systems are mounted on trucks, kind of things, so the whole configuration and the product mix is varying, so in order to do that on the second factory which we have constructed, we have now enabled a space where trucks can be brought inside and electronics systems to be outfitted in line with our customer requirements of MoD, Army, Navy and Airforce requiring large systems equipment which is very large equipment is to be done. Our present infrastructure does not allow us to manufacture and integrate such large systems. We have a completely automated pick and place line for electronic manufacturing and testing but we didn't have integration infrastructure which is going to be, you know an order of the day as we go along and scale the company in next 3 to 5 years, so we have created that infrastructure to have few of these systems integrated and assembled for demonstration and delivery to our customers and based on success and more contracts, we will scale additional infrastructure to meet with the customer's requirements and demands, so that is the first thing we have done in terms of manufacturing infrastructure, not so much as to say I will scale manufacturing in terms of utilization but more in terms of capacity building to look at the future and address the future markets because we see substantive growth in that market as we go along. The second thing which we have also done is we have increased the second set of EMS line that is the pick and place holding line to take care of debottlenecking and to not have a single manufacturing failure in our infrastructure. As is where is, I think we can produce our electronic manufacturing one set of machines but we have added second set of machine so that there is redundancy and some

de-bottling is available, we also increased infrastructure for environmental test facilities like test chambers and vibration systems etc. We are also going to put in our own infrastructure for the EME, AMC that is the certification requirements of electromagnetic interference which is required for every system which we deliver, the first pieces are to be tested. It is very expensive to do the test outside and more importantly, we don't get the time, the facility is never available on time and we have to sometimes wait for weeks together before we get the time outside, so you know, in order to smoothen the manufacturing and development cycles to deliver quickly to customers, we desire to do this, this is also put in. All this has been approved by the board and the contracts have been placed to the suppliers, so I would say that the infrastructure will definitely allow us to increase our production more than two times than what we are doing today and also provide the infrastructure to look into bigger contracts as we go along in the coming years, so this is how the infrastructure has happened.

As regards the order book of the last year of 923 crores and executed and balance, I will ask CFO to answer this or we can write to you specifically if you can write the question to us, we will give you exact details, because of the of the cup I am not able to tell you. It's mostly this year and next year and very little of the order book was executed last year and that has been supplied with new orders this year, the exact numbers we will be able to write to you and on the margins which you have talked about, the company's aim is to see that we take contracts which has got reasonable bottom lines, you will see that this is what we have been doing till now, this is enabled because unlike other companies who buy and integrate, we design everything from scratch, so what other people buy, we design and manufacture, so naturally our margins in those locations are higher. we were trying to accept in very specific situations where we need to get an order which is going to scale the company into very higher heights. We generally look at contracts with slightly larger bottom lines so that at this present moment, we go for niche markets and build an organisation as the bottom-line, then as we go along, to scale if we require, we can do contribution

margin pricing at related date, today we are looking at niche parts, niche products, replacing international products so we continue to look at a reasonably higher margin contracts, I cannot give you exact figure because it varies from contract to contract. The employees and work situation, I think again we will ask Ms. Rekha Rangarajan to answer these questions and on the celebrations again we will ask HR to look into it to see what we can do to on the 25<sup>th</sup> celebration.

As regards Ms. Jain's question of split of equity, we will take this up in the Board meeting and look at what our Board says regarding this and we will get back to you on this.

I thank you very much for all of you to be a part of this company and thank you for your questions. I will pass the floor to Mr. Venkat who can look into some of the questions and probably some of the questions we will reply in writing. Venkat, over to you.

**Venkata Subramanian,**  
**Chief Financial Officer,**

Thank you. Thank you sir. As regards Mr. Ravi Kumar's questions, on the salary, I didn't get a proper, you know, of what he exactly wants, he was talking about some comparison quarter on quarter. Mr. Ravi Kumar, if you can write to us, we will officially reply to you and on the capex plan, we have plans of about 25-30 crores increase of capex for the current year. In addition to that, you know as shareholders may be aware, we have raised Rs. 500 crores through QIP in March, which is meant for product development, out of that about Rs. 100 crores plus are planned for execution this year. It will also be capitalized in the balance sheet in 2024. Request you to write to us for the salary related queries which we can officially reply back to you.

As regards madam Elizabeth's question on the order book, we have got 132 crore of orders in Q1 of FY24 and out of which we have delivered about 90 crores, leaving the orders on hand as of June 967 crore. We already have got orders negotiated and finalized for about 99 crores. Considering that as orders on hand, our order book today

is about 1066 crore ma'am. Thank you and if there is anything, write to us, we will reply. I pass on to Madam Rekha Rangarajan for related queries on attrition and things like that.

**Rekha Murthy Rangarajan,**  
**Whole Time Director:**

Good morning to everybody and Ms. Elizabeth's question which is specifically on ESG rating, we are yet to go for ESG rating and we will publish the rating as and when we go rating ma'am. With regard to attrition, we have actually controlled it quite a bit at 11% where the industry average is about 15 to 20 %, so we are fairly able to manage our attrition rates. We have a good HR department and the policies which today are allowing all our employees to benefit as well as do well and we are in a niche market so there is a lot of interest in this market space. With regard to the average age that you had requested for, it is about 27 years but at the leadership level it is a little more so, we have a spread of about 24 to almost 55 to 60, so the average age if you look at it is about 27 years, with younger people doing all the R&D as well as in manufacturing, at the leadership we have a fairly senior team. Thank you and if there are any other questions that you may require answers for, we are ready to answer by e-mail. Thank you.

**Chairman:**

Thank you Rekha. We are recruiting for tomorrow, we are recruiting a lot of engineers and we want to build a lot of competency based ground up in the company, just look at the large scaling which we are planning to do in the coming years so recruitment is always on and continuous and in-house training is also a part of what have been doing and continuing to do in this industry.

Now, coming back to the rest of the AGM, as informed earlier, the electronic voting facility will remain open and available for the next 15 minutes enabling the eligible members to exercise their vote and thereafter the meeting will be deemed as concluded.

The Results of the e-Voting including remote E-Voting along with scrutinizer's report would be placed on the website of the Company and also on the website of M/s. Link Intime India Pvt Limited by

August 11, 2023 and it shall also be submitted to the Stock Exchanges. The members can view the same.

In conclusion, I wish to express my heartfelt gratitude to all our stakeholders for their unwavering trust and support. I extend my sincerest appreciation to our exceptional leadership and dedicated team of employees, whose relentless commitment and hard work have been instrumental in our achievements. My thanks also go out to our esteemed board of directors, financiers, clients, collaborators, and partners for their steadfast faith in our company. As we move forward, we remain dedicated to creating value for all our stakeholders, strategically poised to capitalize on emerging prospects driven by the government's unwavering commitment to initiatives in this sector. Thank you all. Thank you very much. Jai Hind.