

October 20, 2022

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400051  
BSE Scrip Code : 532395

The Manager  
Dptt. of Corporate Services  
BSE Limited  
Floor 25 Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 051  
NSE Symbol: AXISCADES

Dear Sir,

**Sub.: Transcript of 32<sup>nd</sup> Annual General Meeting of AXISCADES Technologies Limited**

Please find enclosed the transcript of 32<sup>nd</sup> Annual General Meeting of the Company held on Tuesday, 27<sup>th</sup> September 2022 at 11:30 am. This will also be available on the Company's website <https://www.axiscades.com/investor-relations.html>.

This is for your information and records.

Yours truly,

For **AXISCADES Technologies Limited**

**Sonal Dudani**

**Company Secretary and Compliance Officer**

**AXISCADES Technologies Limited**  
(Formerly AXISCADES Engineering Technologies Limited)  
CIN No.: L72200KA1990PLC084435

## **AGM TRANSCRIPT - AXISCADES TECHNOLOGIES LTD.**

**Moderator:** Good morning, madam. As the quorum is received, you can start proceedings madam. Thank you.

**CS:** Good morning, ladies and gentlemen. I, Sonal Dudani, Company Secretary and Compliance Officer have great pleasure in welcoming you to the 32nd Annual General Meeting of the Company. I hope you and your family members are safe and in good health. Before we start with the main proceedings of the meeting, I want to introduce Directors and KMPs on the Board of the Company who have joined the meeting through video conference.

Mr. David Bradley, Chairman and Non-Executive Director.

Mr. Arun Krishnamurthi, CEO and Managing Director.

Mr. Sudhakar Gande, Non-Executive Director.

Ms. Mariam Mathew, Independent Director and Chairman of Nomination and Remuneration Committee.

Mr. Desh Raj Dogra, Independent Director and Chairman of Audit Committee and Stakeholder Relationship Committee.

Mr. Dhiraj Mathur, Independent Director.

Mr. David Walker, Non-Executive Director.

Mr. Sharadhi Chandra Babu, Non-Executive Director.

Mr. Shashidhar, CFO of the company.

Mr. David Abikzir, Non-Executive Director has expressed his inability to attend the meeting.

We also have with us, Mr. Sunil Gaggar, from SR Batliboi & Co., Statutory Auditors, Mr. Anant Khamankar from Anant Khamankar & Co., Secretarial Auditors who have joined this meeting through video conference.

We have the requisite quorum through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the MCA circular and section 103 of the Companies Act 2013. The quorum being present, I call this meeting to order.

As the members are aware that this AGM is being conducted through video conferencing in compliance with all the applicable regulations and circulars issued by MCA and SEBI time to time, the company has

taken all feasible steps to ensure that the shareholders are provided with an opportunity to participate and vote there at.

The soft copy of the annual report has been sent to all the members holding shares in dematerialized mode and whose email addresses are available with the depository participants as well as to the members holding shares in physical mode, whose email address are registered with the company and the RTA for communication purpose.

The statutory registers as mentioned in the notice of the annual report are available for inspection of the members and members seeking to inspect such documents can contact the Company Secretary and Compliance Officer for the same.

As mentioned in the notice convening the meeting, since the meeting is being held electronically, the proxy related procedures have been dispensed and hence, the proxy register is not available for inspection.

The Company has received requests from few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask the questions or express their views. The moderator will facilitate this session once the floor is open for the questions and answers. The Company had provided the facility to cast the votes electronically on all the resolutions given in the notice during the period 24 September 2022 till 26 September 2022.

Voting will be in proportion to the shares held by the members as on the cutoff date being 20th September 2022. Members who could not avail the E voting facility or who are participating in this meeting will have an opportunity to cast their vote electronically during the AGM on all the proposed resolutions through KFin Instapoll mechanism. The Instapoll facility will be activated at the end of the meeting. Once the opening of the Instapoll is announced, members can click on vote tab on the video conferencing session to avail the feature. Members, please note that there will be no voting by show of hands. Now I would request the Chairman to deliver his speech.

**Chairman:** Thank you Sonal. Dear Shareholders, I trust today finds you well. I speak to you from Mumbai, where we are talking with analysts and future investors in the Company. The pandemic that we have had to endure has been a devastating effect for the whole world. And I really do hope that this is coming to a close and before long we can have the AGMs in person. Unfortunately, as one crisis ends others emerge, whether that be in Ukraine, or whatever is happening in China today. However, these events bring challenges, both to the business and individuals and how we respond is key. I'm impressed with the flexibility and the imagination shown by your teams and your Company during this time, where we found new ways of working. This resilience has not only been in capability retention for the future, but

also in new ways of working and addressing emerging markets and emerging technologies in the electronics and digital space. The figures, I believe, speak for themselves, where we have excellent growth and improved profitability, during these difficult times to achieve that, has been a great success. The Management and all of the team should be proud of what they have achieved, and I thank them from myself and on behalf of all shareholders. Looking forward, I'm sure that the verticals we have chosen are the good ones and give us all the potential for excellent growth and profitable development.

In Aerospace, I believe the rebound is with us already. It's shown that the travel industry is resilient, and the human nature is a desire to travel around the globe. However, the aircraft manufacturers need to continue to invest in their products to meet the exact environmental standards we all believe are needed. With the recovery in Aerospace, I believe we are approaching our pre pandemic levels already, which is a super achievement.

During the pandemic, we had to resort to remote working and new ways of delivering our services. These have taught us a lot. Necessities, as I say is from time to time is the mother of invention. And the team has been imaginative, and we can learn from these new ways of working when we go forward. And we need new growth, whether that be continued remote working for those who require that flexibility and balance between work and life or when we are opening new satellite offices to access new skills.

Turning to Automotive and Heavy Industry.

These verticals give us everything we need for our growth. They are the largest markets in the world, giving a scale but also giving us innovation in the services that we provide. Whether this be the digitization of the production processes, or the electrification of the vehicles themselves. EV is going to be the future. The world has seen the environmental impacts as well during the last few months. So this is how the world is going to change and we are still at the starting point of the adoption of these technologies.

Power Generation.

Again, Ukraine has shown us that the world is looking for energy independence. So we're seeing a resurgence in both renewables but also in the oil and gas business. And thanks for our new endeavors to broach these markets. Again, we're in a powerful vertical for the future.

And finally, when we look at Defence, I don't need to explain to anybody why we're seeing the boom in defence across many, many countries. But with the combined capabilities that we have in our relatively newly acquired Mistral and those that we've had for many years in aircraft. We have the ability to have a focused presence in the defence market, whether it's in the spectrum of drones, or whether in radar

technology, and many, many other sectors within the Defence sector. These are profitable and highly growth orientated sectors. So it gives us a really good potential for the future. So, I'm confident that the markets that we have focused on recently, or where we need to be and now with the combined capabilities in our traditional services, mechanical activities and the relatively newly acquired skills in the digital space, we are well positioned for future growth. So, in conclusion, these markets give us the dynamics we want. We have seen good growth during the difficult years, so as the markets come back to a degree of normality, we are there. A key thing that's needed, however, is the leadership team. And I am delighted to say that we have managed to secure both a new CEO and CFO to lead this new endeavor. They have also been instrumental in delivering, helping to deliver the conclusion of the results we present to you today. But more importantly, they are repositioning the Company for the future strategy that we need. So I go to sleep at night, knowing this company is in great hands. I will however, continue to strive to make sure this is a united company and a single group. We with the support of the Board, are going to ensure that we have a united approach under a single management team, under a strategy defined by our new CEO, Arun and endorsed by the Board. The leadership team will be the one running this company and I'm confident they have the means to do that. So before handing over to Arun, our new CEO, I'd like to thank all our shareholders, all our customers, and as importantly, all of our staff for the support that they've given to the Company during these most difficult times. Thank you very much for your attention. And I'll hand back to Sonal or Arun. Thank you.

**CS:** Thank you sir. Now I would request Mr. Arun Krishnamurthi, CEO and Managing Director to brief on the business and operational performance.

**CEO:** Thank you very much, Sonal. And thank you very much David, for the opening address. Dear shareholders, I hope you're well. Firstly, I want to say how privileged and delighted I am to be appointed as the CEO and Managing Director of AXISCADES. I'm really impressed with the asset that we have, and I'm really delighted and very optimistic about the future performance that this Company can have. If we just go to the next slide, I will brief you on the business highlights as well as the strategy. Thank you.

If you look at the financial highlights, for the last year, our operating revenue grew by 17.6% in Indian Rupee terms and 17.5% in Dollar terms. EBITDA was at INR 797 million at 12.9%. PAT was at INR 227 million compared to a loss of INR 212 in the previous year. Cash and Cash equivalents stand at INR 1054 million compared to 848 million in FY 21. And the order book of 70 million as on 31st March 22. It's a growth of 49.4% over the previous year. So overall, a really good set of results and a good platform for us to build on.

In terms of business highlights, very pleased to say that we started an engagement with a tier one automotive services company in the areas of embedded, mechanical and hardware. And this plays out to our strategy as mentioned by David, where we are looking at automotive as a key vertical for us to

grow our business. We established an offshore development centre for a large global energy tier one services provider. This was done at Hyderabad. Again, this plays out to our strategy of developing energy as a key vertical for us to grow in addition to the existing verticals that we have. For one of our strategic aerospace clients, we've opened a new office in France in the city of Montour de Bretagne, where they have a big manufacturing plant. And this was done to enhance our presence at the plant, as well as to provide nearshore relationship project support to the customer. We also commenced the engagement with one of the other large aerospace companies globally. This strengthens the portfolio and the heritage that we have in Aerospace.

In terms of the business verticals Heavy Engineering grew by 28.2% year on year. This was mainly due to new client additions, as well as expanding relations with the very strategic customer that we have in North America. Aerospace again had a very robust growth 32.6% year on year. This is again, a flagship customer that we have and the business with them continues to grow from strength to strength. As far as strategic technology solutions are concerned, that remained flat year on year. And this is mainly due to supply chain issues. This is due to the manufacturing nature of that business.

Next slide, please.

So here, I'm attempting to give you a strategic roadmap. And this is our strategy, which I'm confident is the right strategy for us. And like David mentioned, the world is at an inflection point, technology, and digital is the growth areas. And we have sort of focused on these to take us forward. So if I just look at the three pillars, let me start with Digital Transformation.

Digital Transformation is important because we want to position ourselves as a thought leader for our customers. So, we have really good relationships with strategic customers. We want to enhance that through digital and innovation. And for us, it's a key pillar for us to focus on digital transformation.

There are a lot of use cases that we can do for the industry in each of the verticals we are present in. But internally as well, Digital is a big driver for us to improve on our automation and productivity improvements. And clearly this goes straight to the bottom line and this will have an impact on the efficiency and the profitability of the Company. Now how are we going to do it, there are three areas that we have picked on. Clearly embedded electronics and embedded software is gaining ground in the verticals of Automotive, Energy, Aerospace, Heavy Engineering, as well as in Defence. And this is something that will be a focus area for us. We have very strong capabilities now, especially with the acquisition of Mistral. And we have a great capability and a very good platform to take it across to our existing customers, as well as to our new customers in the verticals that we service.

Avionics in the area of Aerospace is again a key growth area. And we are looking at that as a specific focus area. Again, we have very good capabilities from the Defence business that we have within AXISCADES, as well as the acquisition of Mistral. And digital is a big focus area for us. We have hired few people in digital. We are developing industry use cases. We are confident that we will be able to make a difference as far as thought leadership is concerned on the digital front. And like I said, this is also very important for us from our internal Company transformation perspective, in order to reposition ourselves as a leader in the Engineering services space, and this will go directly in the areas of automation and productivity. So just as an example, for a heavy engineering client, we are working on autonomous vehicle technology. And this is a combination of embedded electronics software as well as digital. And this is applicable as a use case across Heavy Engineering as well as Automotive.

The second pillar is sector diversification. Clearly from the perspective of avoiding seasonalities in any specific sector, our strategy is to be present across a diverse set of sectors. And the sectors that we will be present in, so we have traditionally been present in Aerospace, in Heavy Engineering and in Defence. The new sectors that we will add on and focus on is Automotive, Energy, and Semiconductor. So semiconductor, again, is a key focus area. And this again, we have very good capabilities coming in from the acquisition of Mistral. We also believe that some of these sectors are ripe for innovation. Sectors like Automotive, Semiconductor, Energy, present immense growth opportunities. And we are confident that by focusing on these sectors, we will be able to add a lot of value to customers in that space, as well as obviously focus on the growth agenda that's important to all of us. Now, how are we going to do this? We will focus on product lifecycle management, which we do for the sectors that we are present in. Now this is a common feature across all sectors, and we will be exploiting the adjacencies and taking it across to the new sectors that we want to penetrate. We also have a few key focus areas and I've just given a few examples. There's obviously many more but if you look at automotive and David spoke about this, the world is clearly moving towards ADAS, ADAS is Advanced Driver Assistance Systems and this is ripe for innovation from embedded electronics, embedded software as well as digital perspective. And we are making very good traction with some of our clients in offering these services and talking to them about potential solutions.

If you look at Aerospace, Avionics is the area of growth. There is also a lot of scope for smart automation because our customers are looking at how they can be smarter and how they can meet the needs of New Age customers. So, this is something that we'll focus on. Clearly with Energy, we have seen that energy security is a key agenda for most countries and we have seen through the Ukraine crisis and a lot of countries are looking at how they can secure their energy needs. This will spur investment and capital investment in smart grids, in renewables because the climate agenda is here and real, as well as for oil and gas Companies where they will need to look at more exploration and offshore rigs. So, this is an area that we'll focus on.

Also medical devices where we have seen through the Covid pandemic, that healthcare is a prime agenda and, medical devices are central to the whole health care issue, because we are looking at more devices coming in. There's more engineering here. There are many more smarter devices, there's a big plate for IIOT, Internet of Technologies. We feel that automation is something that will be very welcome in this sector and just to give some examples, we have on boarded Automotive as a key sector. Like I said, we have leveraged some of the capabilities that we have gained from Heavy Engineering because if you look at heavy engineering, that's also in the area of transportation. So again, there's a lot of adjacencies.

I talked about the autonomous vehicle technology that we used at heavy engineering. That is something that we will take to automotive as well as other skills from an embedded and digital perspective. We have also on-boarded one of the world's largest energy tiers one services Company. I talked about this on the previous slide where we said we opened an ODC for them at Hyderabad. This is a very promising engagement, and this is really cutting-edge work that we do for them and this will give us focus in the Energy sector that we are very interested in.

The third pillar of our strategy is client diversification. So, we have identified the digital and embedded our key areas. We have identified that we are going to add these sectors of Automotive, Energy and Semiconductor to the existing sectors of Aerospace, Heavy Engineering and Defence. Now within each sector that we are present in, we want to diversify our client base. So, we want to make sure that we work with more marquee logos in each industry verticals that we are present in.

You will be proud to know that your Company works with the best brands in the industry. We are going to ensure that we add some more marquee logos to this. That will also help us in increasing our geographical presence and coverage as we want to, through this, increase the number of strategic clients that we have because clearly the direction for our business is to work with more strategic clients and be key & central to their strategy, such that we can become a partner whom they can rely on. And, you know, we can also develop services for them. Now how are we going to do this? We are going to provide products and platforms to customer in similar verticals. So clearly, we already worked with some flagship customers in the verticals that we talked about. We will look at how we can abstract some of the knowledge, look at capabilities that we can take to other customers in the same vertical. We will also look at industry best practices that can be localized to a specific client requirement. Because whilst the industry might be similar and the vertical might be similar, each client has a different need, either because of the fact that they're in a different geography or maybe because of the sector or the consumer space that they service. So, we will look at how we can take our industry best practices and customize it to a specific client requirement so that it's fit for their needs. In terms of traction and some examples, we have utilized our design authority credentials to make inroads into an existing European client and are in the process of onboarding a new client in defence sector. So defence clearly is really important to us, like I mentioned and we believe that with everything happening in defence, with the Ukraine crisis,



with the transformation of warfare towards more electronic drone-based systems, our presence in defence both through access status, as well as the acquisition of Mistral will position us as a very premium defence player. We also are seeing in India specifically that there's more focus on Make in India, as well as the fact that we are looking at more investments in defence. So, we feel that these capabilities that we have are present in the right time and we are very optimistic that we will be able to be a good partner to our customers. So, with this, I just wanted to sort of bring this to a close. So, like I said, just to summarize three pillars of our strategy, digital transformation, sector diversification and plan diversification. Thank you very much.

**CS:** Thank you, Sir. Ladies and gentlemen, the Notice dated 10th August 2022 convening this meeting, along with the copy of the Annual Report for the financial year ended March 22 has already been circulated and with your permission, I shall take the same as read. The Auditor's Report of the Company does not have any qualifications or observations or comments on the financial transaction, or matters having any adverse effect on the functioning of the Company. Accordingly, the reports are not required to be read out at the meeting. We now take up the resolutions as set forth in the notice. We will open the floor for any questions by the members after all the resolutions are tabled. The ordinary businesses set out in the AGM notice pertain to:

1. Adoption of audited financial statements
2. To receive, consider and adopt financial statements of the Company for the year ended March 31, 2022, including the audited balance sheet as on 31st March 2022, the statement of profit and loss and cash flow statement for the year ended on that date, including the consolidated financial statement, together with the report of the Board of Directors and Auditors, thereon.
3. Appointment of a Director in place of Mr. Sudhakar Gande, who retires by rotation and being eligible offers himself for reappointment.
4. Appointment of a Director in place of Mr. Harold David Walker, who retires by rotation and being eligible offers himself for reappointment.
5. Appointment of Statutory Auditors of the Company.

The special businesses set out in the AGM notice pertain to:

1. Reappointment of Mr. Desh Raj Dogra as an Independent Director.
2. Reappointment of Mr. Dhiraj Mathur as an Independent Director.
3. Approval for increase in the Borrowing limits of the Company.
4. Approval for creation of charge on the assets of the Company.
5. Approval for material related party transaction.
6. Consultancy agreement between wholly owned subsidiary AXISCADES Inc. and INBIS where Chairman Mr. David Bradley is interested.

## 7. Alteration of articles of association of the Company.

The resolution and the explanatory statement in respect of the above proposals, wherever applicable have been provided in the notice. Now before we go live with the Q&A, here are some points to note for your convenience. Members are requested to keep their questions specific and brief. The moderator will facilitate the questions on the video feature. When your name is pronounced, kindly turn on the video so that your video is projected on the broadcast screen. Kindly unmute yourself and proceed to ask the question. Please mention your name, DP ID and client ID or the folio number and the location from where you are joining. Each shareholder will have two minutes for their question. To avoid repetition, the Board will respond to all the answers to all the questions at the end. Once you have asked your question, you may switch off your video, mute yourself and continue to watch the proceedings. Members may also note that the Company reserves the right to limit the number of members asking the questions or making suggestions depending on the availability of the time. Now the floor is open for the shareholders Q&A.

**Moderator:** Thank you madam. Now the question answer session will be started. So totally 21 speakers are registered for the session. So we will call one by one speaker to speak and each speaker will have two minutes of time to ask their questions. So first speaker of the day is Mr. Ajay Kumar Jain. May I request Mr Ajay Kumar Jain to unmute yourself, switch on your camera and speak please. Mr. Ajay Kumar Jain. As there is no response received from Mr. Ajay Kumar Jain, we will move on to the next speaker. Second speaker is Mr. Vinay Vishnu Bidhe. Mr. Vinay Vishnu Bidhe. Mr. Vinay Vishnu Bidhe. As there is no response from Mr. Vinay Vishnu Bidhe, we will move on to the third speaker of the day, Mr. Manjeet Singh. Mr. Manjeet Singh. Mr. Manjeet Singh. No response. So, we will move on to the fourth speaker of the day, Sarbjeet Singh. Mr. Sarbjeet Singh. No response either. We will move on to the fifth speaker of the day Mr. Gagan Kumar. Mr. Gagan Kumar. No response from Mr. Gagan Kumar also. Then we will move on to the next speaker Krishna Lal Chadha. Mr. Krishna Lal Chadha. No response.

**Voice:** Moderator, is there any problem with your audio?

**Moderator:** No, those people have not joined sir. So I'm just looking at the names because I need to give the option from the registration point of view. So I'm just reading from the registration sequence only so that everyone will get an opportunity. Now, Manoj Bagadhia. Mr. Manoj Bagadhia. No. Mr. Praveen Kumar. Mr. Praveen Kumar. No response. Mr. Vasudev Ramaswamy. Yeah, Mr. Vasudev Ramaswamy ji, please unmute yourself, switch on.

**Mr. Vasudev:** Yeah, I have unmuted.

**Moderator:** You can ask your question please.

**Mr. Vasudev:** Good morning, Mr. David. Am I audible?

**Chairman:** Yes, you are.

**Mr. Vasudev:** Yeah, Mr. David. Good morning, Mr. Arun Krishnamurthi. Good morning, other esteemed Board members of the AXISCADES team. So, I am Ramaswamy speaking from Delhi, it is a pleasure attending the virtual AGM. First of all, I have got two questions Sir. We have talked about the de-risking of the customers. What are the sector wise plan for the Management Sir? It is automotive, energy and medical devices. What is the sector wise management plan for these sectors? Next is Sir, the global ERS is expected to grow at 9% CAGR and it is expected to be at 2.1 trillion by 2024 as per Mr. Chairman's message to the shareholders. What is our plan to achieve accelerated growth and what are we planning to do in this sector? Thirdly sir, I have read about, you know, IOT. IOT increasing to a level of 268% consumption in the current quarter. What was our share and what will be our future share of the Company in the IOT? And then again, we are having a resolution for increasing in borrowing numbers. What is the purpose of the borrowing since we have lot of borrowings already in the Company. And again, if more light can be thrown on that how the finance is going to be utilized. It will be of use to the other shareholders also. Lastly, what is the dividend distribution policy of the Company? Have we framed any policy? Is it available on the website and how are we going to take it forward? These are all my questions. Shall wait for good answer. All the best to the team and thanks for the opportunity. Thank you.

**Moderator:** Thank you, Mr. Vasudev Ramaswami ji. We will move on to the next registered speaker. 10th registered speaker of the day is Celestine Elizabeth Mascarenhas. Madam Celestine Elizabeth Mascarenhas also not joined. We will move on to the next speaker. 11th speaker Naveen Bothra and Sons HUF. Yeah. Naveen Bothra Sons and HUF, you can unmute yourself, switch on your camera and speak please.

**Mr. Naveen:** Hello. A very warm greetings to our Chairman, Mr. David Bradley and our MD and CEO, Mr. Arun Krishnamurthi and other distinguished Board members and the Management team of AXISCADES Limited. It's my pleasure to attend the 32nd AGM of the Company virtually from Delhi. I welcome Mr. Arun Krishnamurthi, who is coming from Tata Technologies, as our MD and CEO and Mr. Shashidhar who has joined us as CFO of the Company. And we are already seeing the turnaround and performance improvement under the new leadership. We hope and wish the team under this new leadership scales new heights of growth in the years to come. First of all, I would like to congratulate the management team for the vastly improved performance despite global and geopolitical headwinds. Sir, I have couple of questions regarding the, even though in the investor presentation shared by our MD sir, he has briefly talked about all these points. But if some wider perspective can be given for the first question regarding our medium term management plan organically around the main, aerospace and defence are our main

verticals from Axis and Cades capabilities. So how we are going to scale up the Aerospace and Defence business in the coming three to five years? If you can articulate the medium term management plan around each sectors and the new sectors you have talked about, which we keep on building. Second one is regarding most important. First of all, I would like to congratulate the management team for these smooth proceedings and the acquisition of Mistral almost at the final stages of completion, would like to have your views about the final integration and the way forward for the Mistral business. And, as also, what is the management plan for, if any monetization plan for Mistral we are thinking about in the future after the full integration. I think the stage two of the final payments of around say 34-35%. The timeline if you can share about the Mistral final acquisition, it will be quite beneficial to us Sir. Finally I wish the Management team all the very best in the times ahead. I have already voted in favor of all the resolutions and fully support and propose a vote of thanks to the Board Sir. Thank you. Thank you very much for the opportunity. Thanks sir.

**Moderator:** Thank you, Mr. Naveen Bothra and Sons. We will move on to the next registered speaker. Next registered speaker is Mr. Yashpal Chopra. May request Mr. Yashpal Chopra to unmute yourself.

**Mr. Chopra:** Hello.

**Moderator:** And speak please.

Mr. Chopra: Hello, yeah. Myself Yashpal Chopra calling from Delhi. Yeah, sir, I must compliment, congratulate our Chairman Mr. David and our MD Mr. Arun for the first thing that for opening their new office in France. So that is a matter of pride that we are just expanding internationally and all that. And sir, I would just like to compliment the honorable Management team over there, for the grand performance of the Company in the last year, there has been all round growth in this revenue, PBT, PAT, EPS and all that, and the credit goes for that to our operations in heavy engineering, aerospace and medical devices and you are now entering into that offshore. So this is a matter of pride for us. And we feel that though you have just shown an excellent performance in spite of that pandemic economic year, the first quarter was stopped because of the covid, and the last quarter was disturbed because of the Russian-Ukrainian war, and still our Company managed the show very nicely. It's a matter of pride for us. So I must be proud of the team. And I feel that my investment is in a very, very strong hands. So I wish you best of luck and pray God for the positivity so that you maintain this your tempo of growth. And before I close, I must complement our corporate department for sending me a beautiful balance sheet over there because only through the balance sheet I could know as to what the latest position of our Company is and all that. So I'm proud of that corporate governance and they just gave me a link to express myself. This is also a matter of pride for me. So thank you very much. And best of luck to you. And happy, happy greetings for the festivals which are coming ahead. Happy Navratra, happy Dussehra, Happy Diwali coming ahead. Happy Christmas and the New Year. So best of luck to you. Thank you.

**Chairman:** Thank you so much.

**Moderator:** Thank you Mr. Yashpal Chopra ji. We will move on to the next registered speaker of the day. 13th speaker, Ankur Chanda. Mr. Ankur Chanda. As Mr. Ankur Chanda not joined, we will move on to the next speaker, Lokesh Gupta. Mr. Lokesh Gupta also not joined. We will move on to the next speaker, Dinesh Amrutlal Kotecha. Mr. Dinesh Amrutlal Kotecha also not joined. Next speaker is Vinayak Raosaheb Patil. Vinayak Raosaheb Patil, yes he has joined. Sir, may I request you to unmute yourself, switch on your camera and speak please.

**Mr. Vinayak:** Yes. Okay. First of all, a very good afternoon to the entire Management team. I would really like to congratulate the entire team for the robust performance, as well as for the recovery from the challenging times what we had in the last year. I have a very specific question. How will the Mistral acquisition help the Company in the short term? Yeah. I mean, how would we see the short term gains in the next financial year? Yeah, this is the only question I have. Thanks for giving me the opportunity to ask the question. Thank you very much.

**Moderator:** Thank you, sir. Thank you for your question. We will move on to the next registered speaker. 18th speaker of the day, Mr. Basvana Rangaiah. Mr. Basvana Rangaiah, may I request you to unmute yourself, switch on your camera and speak please?

**Mr. Basavanna:** Yeah, yeah. Good afternoon. Good afternoon to the Chairman David Bradley and also Arun Krishnamurth MD and CEO. Warm wishes to the Board of Directors of the entire AXISCADES Board team. And my question is, very clearly we could able to understand the diversification and also the digital angle of development in future. I want to know in this area, we have seen most of the things in the organic growth only. Do you have any plans towards acquisition or you know increasing the wider area for offering from AXISCADES. And another one question is that do you have any plan to have a manufacturing development as a part of the organization? So these are the two questions. Thank you very much for the opportunity. Wish you all the best for the future.

**Moderator:** Thank you, Mr. Basavanna. We will move on to the next speaker. Next speaker, 19th speaker is Mr. Shree Pal Singh Mohnot. Mr. Shree Pal Singh Mohnot ji, please unmute yourself, switch on your camera and speak please. I believe he has not joined okay. No response. Next speaker Arun Kumar Maruti. Mr. Arun Kumar Maruti. Yeah sir, you can unmute yourself and speak please. Mr. Arun Kumar.

**Mr. Arun:** Am I audible now?

**Moderator:** Yeah, you are audible sir. You can proceed with your question please.

**Mr. Arun:** Respected Chairman Sir, our MD, CEO Shri Arun Krishnamurthi ji, all the distinguished members of the Board and all my fellow shareholders. I Arun Kumar Maruti joining this AGM from Delhi. It is a matter of pride and immense pleasure for me to interact with the Management or giving me this opportunity. Most of my questions have been asked by my fellow shareholders. I only have couple of them. I would like to know sir that about the leadership strategy specifically for the Mistral. How we are going to move in that area. Sir, you shared about in your opening remark, sir you told about the sector diversification and the client diversification. I would also like to know something about the geographical diversification also, as we are more concentrated on the India business side and the US business side. I would like to know your views on it. And my next question is that sir what sustainable EBITDA margin we think for the Mistral going ahead and one more thing about the current geopolitical situation. For most of the companies the situation went in a negative way. But we feel that this will be a positive for AXISCADES. So, I would like to know your views on it sir. That's it sir from my side. Thank you.

**Moderator:** Thank you, Mr. Arun. We will move on to the next speaker, last speaker of the day. Mr. Prakashni Ganesh Shenoy. Prakashni Ganesh Shenoy. No response. As we have given opportunity to all 21 speakers to speak. Unfortunately, only few of the speakers spoke now. So, with this, we have concluded the speaker session and the dias is given back to you, Chairman, sir. Thank you.

**Chairman:** Okay, well, thank you so much for the kind words most of the speakers have given. And I hope we can continue to meet your expectations for the future. So I hope, I have caught most of the questions. Any that we can't answer directly, we'll take offline and provide you with answers. So the first question, we had multiple questions that we need to address. I think the first one on the sector plan and the global growth and also IOT. I think it down to you Arun. And then perhaps some discussions about our borrowing should come from CFO, perhaps also, with dividend policy. I think it's connected to our borrowings. We will be delighted to be able to get into a position where we can distribute dividends. But I think with a company that is in a rapid growth, I think the value for any spare cash in the Company in the short to medium term is reinvestment in that growth and in that capability for the Company. So albeit that it is still there as a priority, because we appreciate people want not only capital growth, but also some revenue from their investments. I think in the short to medium term however, I think the reductions of our borrowings and also reinvestment in capability is really a higher priority and will bear out to be a far better return on your investments. So Arun, if you could have a look at the sector's global plan, perhaps you can also mention the geographical split and diversification at the same time. Arun.

**CEO:** Sir. Thank you very much, David. So yeah, very good questions. And I must compliment the shareholders for being so involved in our business. And thank you for all the good wishes that you know, you've given us, and you know, your support and guidance is obviously very much appreciated. So Mr. Ramaswamy, your question was de-risking of sectors and plan. So obviously, the need for de-risking and

sector diversification is clear. You know, we want to avoid seasonalities in one specific sector. And we have chosen high growth sectors to focus on. So when we talk of automotive, when we talk of semiconductor, and when we talk of energy as new sectors that we will focus on in addition to the existing ones, the reason we do that is because there's a tremendous R&D and engineering spend that's happening on that. The second point is that there is a big technology disruption that's happening specifically in automotive, as well as energy. And semiconductor, as you know, is growing rapidly because you know, every single device now has sensors and everything is chip based. So these are sectors that we are focusing on. The plan is that clearly for automotive, we will focus on the new edge technologies. So our focus will not be so much on the body engineering, powertrain and the mechanical aspects. Of course, if those projects come along, we will be involved in them. But our focus is going to be on the embedded electronics, embedded software and digital. And clearly things like ADAS, which is advanced driver assistance system, ACES, which is connectivity, mobility, you know, electrification. These are areas that we're going to focus on because clearly the industry has a number of legacy OEMs. There are a lot of new age EV manufacturers like Tesla, etc. and then there's a plethora of tier one service providers, the likes of Bosch, Continental, Visteon. So, this is an industry which has a lot of players and there is a huge uptake in terms of embedded software, electronics and digital. With the acquisition of Mistral, we are now even better placed to service those industries. And that's the reason we want to sort of focus on that. Energy, clearly the Ukraine crisis has shown the need for energy security, I talked about it. A lot of the oil and gas firms are flush with funds, given the hike in the oil price. There are lot of capital investments that are going to happen, so this is a sector we want to focus on and of course, the renewable sector is important because of the climate change agenda, reduction of carbon emissions, COP 26, etc. So we will focus on renewables specifically and clean energy and if you will also notice, energy and automotive have adjacencies. As we move towards electrification and automotive, you will need to build in more charging points, you will need to have the role of utilities. So we see a big convergence between utilities and automotive going forward. And that's the reason we feel that it's a good sector to focus on.

Mr. Ramaswamy, the second question was global ERD is growing at 9%. What is our plan to achieve accelerated growth? Clearly last year we grew at 17.6%. The strategy that we have put in place, the team that we have in the Company, as well as some of the new hires that we have brought in, and also the acquisition of Mistral, I believe I'm very confident and optimistic that we are on the right growth path and we will obviously look for industry leading growth in this area. In terms of IOT, I would say that, you know, you're absolutely right, there is a big role for IOT. There's trillions of sensors now in every single device. As part of our digital agenda, this is a big area of focus for us. I just move on to Mr. Bothra's questions and Shashi I'll probably leave the financial questions for you but I thought I'll just finish in one go. So, Mr. Bothra, your question was medium term plan on aerospace and defence in the next three to five years. Clearly, aerospace has come back in a massive way. I think even the OEMs and the tier one providers in aerospace are surprised. They did not expect this kind of a recovery after covid and some of the OEMs we work with have a massive order book. If you were to order an airplane now, the order

would get registered in the books five years from now. So there is a huge order book out there. Our focus is going to be on strengthening the offerings that we have, which is in the aero structures in airframes space and like I said, we will also focus on avionics, which is a big growth area to sort of propel the offerings that we have. Obviously this is the civil side but on the defence side as well, we have really good capabilities within the defence business of AXISCADES and through the acquisition of Mistral where they do a lot of work on the radars as well. As far as defence is concerned, I again talked about it. The defence sector is very vibrant. Every country is looking at bolstering their defence supplies. The spend is at an all time high. There is a transformation, a tipping point. Ukraine assured that the move towards electronic warfare, drone warfare is real. And that's the shift that everybody's making, which obviously means that embedded electronics, digital software will play a bigger role when it comes to warfare. So these are areas that we can be a disruptor in.

Moving on to Mr. Yashpal Chopra, you complimented us for our office in France. Thank you very much. I just wanted to mention that this is not our first office in France. We already have an office in Toulouse. So we added this office in Montoir de Bretagne. In addition to this, we have offices in Hamburg, we have offices in Leicester, in the UK, and we have an office in Denmark. We have offices in the US, multiple offices in Peoria in Illinois, in South Carolina, as well as in California and then we have offices in Montreal and Canada. So you'd be really proud to know that your company is truly global. We are looking at how we can increase our geographical footprint and wherever required, you know, wherever it's a win-win for the client and for us, we will look at opening new offices.

Mr. Vinayak, thank you for your question on the Mistral acquisition, the financial performance in the short term. So, this is a Company which is very interesting. It comprises of two services. One is the defence portfolio that we talked about, which is very vibrant and that is something which we will look at accelerating. The second one is the semiconductor presence that they have and they work with leading customers like Texas Instruments, Nvidia, Qualcomm, etc. also they're working on some really cutting edge technology. As you know, semiconductors is the ingredient that goes into every single consumer device or industrial device, or a lot of products that we use, whether it's in aerospace or automotive, or energy. So we feel that this is a really critical area for us and we feel this huge potential. We will look at building on these capabilities and providing support to the Mistral team and taking this further to greater heights.

Mr. Basavanna, your question was on any plans for a new acquisition? We always are on the lookout for new acquisitions as part of our sector diversification and client diversification, if it makes sense, and if it helps us to grow our business, and if it's win-win and if it's a complementary skill, which is something we don't have, whether in terms of portfolio offerings or a geographical presence or a key client offering, we will be open to looking at acquisitions. Of course, our first short term priority is in making sure that the integration of Mistral is successful and that the combination of AXISCADES and Mistral is a force



multiplier. Your other question was on manufacturing. We do manufacturing both within the AXISCADES defence portfolio, as well as in Mistral. But what we do is more in the nature of prototype manufacturing. We do not have any plans to get into large scale manufacturing because that's a volumes game and in order to have economies of scale, you need to have much, much more volumes, which is not the kind of business we are in. Our focus is on engineering services as well as critical prototype development, such that we can do proof of concepts and design products which are suitable for our customers.

Mr. Arun Kumar, your question was on Mistral leadership strategy. I think I talked about that. So you know, the plan very much is to integrate quickly and look at how we can take Mistral embedded capabilities into the verticals that we are present in, into the clients that were present in and also grow the semiconductor business and the defence business that they are in.

Geographical distribution. So our focus is on Europe, our focus is on North America, we also work with some leading providers in India. So, you know, one could spread ourselves really thin, but our focus will be on growth markets. So, the growth markets, you know, clearly are in Europe, North America, in some cases for semiconductors, it will be in the far east as well and in India. India is a very vibrant market with the disruption that's happening, with the situation that China is in, we are a firm believer that India will have a much bigger role to play when it comes to engineering services and, you know, supply chain disruption. So India is a focus market and we believe it will offer us a lot of opportunities since we're based in India, obviously, we have a good position, as far as that is concerned. I think your other question was on the geopolitical situation. We believe that the situation we are in will actually help engineering. If you look at what's happening with the Ukraine crisis, energy security is an issue. It is going to spur automotive and heavy engineering companies to look at new products. It's going to accelerate the move towards electrification, towards connectivity, towards cleaner fuels. So if anything, this is going to increase the investment when it comes to new product development in these sectors. So we believe that engineering is going to be very robust in these. Semiconductor, needless to say, it is a market which is very, very vibrant and that's going to continue, defence of course, again, you know, with the situation that we are in, defence spending will go up and lastly, aerospace. We believe that the OEMs that we work with are extremely well positioned. They have market leadership. We see very positive noises from them in terms of the business outlook. So we are again, very, very bullish in terms of their presence out there. So I would say that, I see an opportunity, I think every cloud has a silver lining and we are looking at the glass half full. We believe that we will look at all the opportunities that we have. Hopefully, I've answered all the questions, if there is any clarification, glad to chip in again. Shashi, I think you can probably pick up the point on borrowings, on dividend distribution and I think there was one more question on margins. Yeah.

**CFO:** Yeah. Thank you Arun and I also want to thank the shareholders, for their participation in the AGM and also their support to the Company. With respect to the resolution as what is there on the borrowings, this is only an enabling resolution. Currently the Company's net debt is around INR 100

crores and it is only 0.3 of the total net worth of the Company in terms of where we stand. So, we have sufficient legroom even if you have to borrow as far as you know, any growth, I would say borrowing is concerned, growth capital is concerned. And with respect to the dividend policy, we do not have to define and articulate a dividend policy because we are not yet the top 1000, companies with respect to market capitalization. So, obviously, we hope to get there soon and we will define the dividend policy with respect to the Company. As our Chairman said at the appropriate time the Board will decide in terms of generating the surplus and how that needs to be deployed, in terms of whether it is to be returned to the shareholders partially in terms of dividend and of course, the growth capital and the last question with respect to you know, margins. Our EBITDA margins in FY 22 was at, 12.6% and we do understand that we need to bridge a gap of around 500-600 basis points. Our objective in terms of bridging that is that we consistently want to increase these EBITDA margins. Obviously, the Mistral acquisition is going to help us and as what Arun articulated, the sector diversification, the customer diversification and the kind of sectors we are getting into, will obviously help the enhancement of the margins. We wish to be, get to a benchmark EBITDA, in the next three years in terms of bridging this gap as what is there. Thank you.

**Chairman:** Okay. Thank you. So I think we've addressed most of the questions and I'd like to just build on the point with regards, Mistral. You know, Mistral was conceived four years ago and I'm not going to apportion blame in any direction. Though we've not been able to really start to yield the benefit of that acquisition, that is starting now and what I've seen even in recent days during my visits to Bangalore, the traction is starting. I think with the new faces, with the CFO and CEO, the spirits are really starting to rise and I feel great things will come from that in the future. So I wouldn't undo anything we did four years ago. But the momentum is really starting now and I'm more than hopeful for the future. With regards to geopolitical events, we can't forecast what we're going to do on events that we don't know anything about. But the one thing I got strong resolve in, that the world has to adapt to changing environmental conditions. I think we've seen that recently. So a lot of the initiatives in e-mobility are going to continue. The world needs to adopt even more than it has today. Digitization and human nature will demand even if there are short term disruptions to travel and to move around the globe as the world gets smaller and smaller. So the sectors we're in have got strong fundamentals that will resist these, any of these geopolitical events. We might have day to day disruptions but in the medium term, I think we're in an extremely good place. So I hope we really have answered all the questions. I want to reiterate yet again, thanks to all of the speakers and the continuing support that we have from our shareholders. I think we will deliver on your trust in the short and the medium term and I thank you for your participation. So Sonal, I think the floor is yours.

**CS:** Thank you. Thank you sir. Members may please note that the voting will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so. The Board has appointed Mr. Anant Khamankar of M/S Anant B Khamankar and Co., Practicing Company

Secretary for scrutinizing the e-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the scrutinizer. He will then unblock the results of the remote E voting, which will then be consolidated with the results of the voting done today during the meeting. The voting results along with the scrutinizer report will be communicated to the stock exchanges within 48 hours and the same will be placed on the website of the Company and on the e-voting platform of KFin.

I thank all the Shareholders, members of the Board, Auditors and the management team for joining this meeting over video conference. Thank you all for attending this meeting and I declare the proceedings as closed.