



**TRANSCRIPT OF SIKA INTERPLANT SYSTEMS LIMITED – 38<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON FRIDAY, SEPTEMBER 20, 2024, AT 11:30 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”)**

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**Mr. Rajeev Sikka,**

Good Morning, Shareholders!

I am Rajeev Sikka, joining this AGM from Bengaluru at our Registered office.

In accordance with the Articles of Association, as the Chairman of the Board, let me have the pleasure of chairing this 38th Annual General Meeting of your company Sika Interplant Systems Limited.

On behalf of the Board of Directors of the Company, I extend a very warm welcome to all of you to this 38th AGM of your Company.

I sincerely thank all of you for your esteemed presence, continued trust and Support extended to the Company.

Moderator do we have the quorum?

Moderator? Yeah please.

We have the quorum.

**" Mr. C S Harisha"**

Quorum is present, you can go ahead sir, please. Thanks.

**Mr. Rajeev Sikka:**

I call the meeting to order as we have the proceedings of the meeting. Before proceeding of the meeting, I would like to introduce my colleagues.

On the board and the officers Mr. Chawhan, independent director and chairperson audit committee and nomination committee of the company participating from Bangalore. Mr. G.V.S Bhaskar, Independent Director and Chairperson of CSR Committee of the Company participating from Bengaluru.

Mrs. Anuradha Sikka, Non-Executive Director of the Company, participating from Bengaluru.

Mr. Kunal Sikka, Managing Director and CEO of the Company participating from Bengaluru.

Mr. Dinesh Balaraj, Chief Operating Officer of the Company, participating from Bengaluru.

Mr. Sathish K S, Chief Financial Officer of the Company, participating from Bengaluru.

Mr. Suraj Kumar Sahu, Company Secretary and Compliance Officer of the Company participating from Bengaluru.

I further acknowledge the participation of Mr. S B Subhash, representing Messrs. Rao and Emmar., Chartered Accountants, Statutory Auditors participating from Bengaluru.

Now I request Mr. Suraj Kumar Sahu, Company Secretary, to provide general instructions to the Members regarding participation in this meeting.

**Mr. Suraj Kumar Sahu**

Thank you so much sir.

Good morning, shareholders!

The Company has enabled the Members to participate at the 38th AGM through the video conferencing facility provided by CDSL, in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.

Facility for joining this meeting through video conference has been made available for members on a first come-first serve basis. All the members who have joined are by default placed on mute by the moderator.



Participation of Members through Video Conferencing is being reckoned for the purpose of quorum as per the circulars issued by MCA and as per Section 103 of the Companies Act, 2013.

This meeting is being held through Video Conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI.

Members have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The Members joining the meeting through Video Conferencing, who have not already cast their vote by means of remote e-voting, may vote through Insta Poll e-voting facility provided by CDSL after the AGM for 30 Minutes.

The Company has appointed Mrs. Gauri Balankhe, Practising Company Secretary, as the Scrutinizer who will collate the voting results of the remote e-voting and the Insta Poll e-voting at the e-AGM for each of the items as per the Notice.

Representation under Section 113 of the Companies Act, 2013, has been received in respect of Corporate Shareholders.

Members are requested to refer additional information provided in the Notes to AGM Notice.

Due to the paucity of time, we request each of the registered speakers to be restrict their questions to be specific and brief. Each speaker will have three minutes for asking questions.

Shareholders are hereby advised that statements made by management in the Q&A session describing the Company's objectives, projections, estimates, figures, expectations, and predictions may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied. The company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future based on subsequent developments, information, or events.

Kindly note that, Company is working in the defence sector and holding a corresponding license from the Government of India, there are restrictions due to confidentiality in terms of the information that can be disclosed by the company.

The Statutory Registers has been made available electronically for inspection by the members during the AGM.

As the AGM is being held through video conference, the facility for appointment of proxies by the Members was not applicable and hence, the proxy register for inspection is not available. Thank you!

Now, I hand over to Chairman to continue with the proceedings.

**Mr. Rajeev Sikka**

Thank you, Suraj. The Company has taken steps to enable Members to participate and vote on the items being considered at the meeting.

As the Notice is already circulated to all the Members, I take the Notice of the Meeting as read.

As there are no qualifications or observations or comments in the Independent Auditors' Report, in Standalone and consolidated financial Statements and in the Secretarial Audit Report, with the consent of the Members, may I take the Independent Auditors Report and Secretarial Audit Report as read.

I would like Mr. Sahu company secretary to recap all the nine resolutions proposed to be passed at this AGM for the benefit to all the members present.

**Mr. Suraj Kumar Sahu**

Thank you, Chairman sir.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2024, together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2024, together with the Report of the Auditors thereon.



3. To declare dividend of ₹ 10/- per equity share for the Financial Year ended 31st March 2024.
4. To appoint a director in place of Mrs. Anuradha Sikka (DIN: 00902914), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

5. Ratification of Remuneration of Cost Auditor
6. Sub-division/Split of Equity Shares of the Company
7. Alteration of Memorandum of Association of the Company.
8. Appointment of Mr. P Jayapal as an Independent Director.
9. Appointment of Mr. Sushil Chander Khanna as an Independent Director.

Now, I invite Members who have previously registered as a speaker as per procedure given in the 38th AGM notice, for any question pertaining to any items on the Notice and Financial Statements, he/she may do so now. Members are requested to keep their questions brief and specific. The Moderator from CDSL will facilitate the questions on the audio/video feature.

Registered Members are requested to mention their name and their Folio ID or Client ID before asking their questions. Also kindly confirm that members are attending the AGM in person.

Now I am announcing one by one the names of Speaker shareholders. I request the Moderator Mr. Harish Ji to unmute the video of the Shareholders whose name is called out and he can then ask their Question.

Now I am announcing one by one name of the speaker shareholders, I request the moderator Mr. Harish to unmute the video of the shareholders whose name called out and he can then ask their question. Harish sir, the 1st name is Mr. Nikhil Upadhyay

Yeah.

Give me a minute sir. Go ahead please. You are unmuted. Good morning.

**" Mr. Nikhil Upadhyay"**

Good morning, everyone. Sir, I've already sent my list of questions. So, do you want me to repeat them?

**" MR. KUNAL SIKKA "**

Good morning, Mr. Nikhil, I would suggest that you can repeat them just for the benefit of everybody else, please. Yeah.

**"Mr. Nikhil Upadhyay"**

Sir, the 1st question was, what is our current order book and how much would be split between from HCL and from exports if you just give a breakup of that order book as well?

So secondly, in this order book, can you split what is the share of product and what is the share of service and do product and service they generally sell as a combination. So next is we have seen a good jump in all the four segments of business.

So how much of this business is repeat in nature or recurring in nature? So next was the system which we launched last year, so has it specified into a form order and what is the progress relating to that? So secondly, generally, you know, defense companies have to get approval from government in order.

To export their products. So, are we considered in any way for exporting our products and have we got the required approvals from the government? So next was, where do we book our MRO business within the four segments which we report, if you could just clarify that.

So next was all these products and system that we launched. So, what percentage of it is in house developed and what percentage of it would be through partnerships? So next was relating to a land. So, far, what is the total land size Indiranagar and the land in Bommasandra?

And what percentage of the land will be non-core for our operations so that we could sell them. Next was on the MYSURU land. So what are our plans and are we going ahead with the tourism project or we have shell that project? So next was the segments, you know, that we operate in.



They are not only long on order book gestation but also long in R and D development. So cumulatively, you know, what is the kind of R and D spends we have, you know, incurred in the last ten years? If you could just clarify upon our R and D strategy. So next was what is the significant edge that has over other players in the defense industry? And if you could just, you know, talk.

A little bit about the the strengths for and what is it known for in the defense industry? If you could just talk a little bit about it, that would be helpful. So next was, what would be the revenue contribution from our top customer and with the new entities in aerospace you know coming up, are we able to build a new relationship with new customers, you know, like desalt or Tata, which have been recently coming in, in India?

The last was, you know, we have the ambition to reach 200 Crores of revenue based on the inquiries and investments happening. So when you see we can reach that base and can we sustain the kind of high margins which we have been reporting in the last four to five years, would that margins be sustainable for.

You know, the growth in revenue which we are anticipating. Sir, those were my questions and just the humble request sir, so we get to interact with you only once a year. So if you could just you know reply to the questions in as much detail as possible, that would be really helpful. And sir, one more thing was that, so we are.

Still investors from Mumbai and you know we wanted to better understand the business of the company. So if you could help us arrange a meeting with the top management if you could just, you know, give us the contact person the concerned contact person or details, we could arrange a meeting with the top management. So that would be really, really helpful sir. So thank you sir, for patiently listening to me. Thank you. Thanks.

**" MR. KUNAL SIKKA "**

And thank you Mr. Nikhil for those questions and also for your interest in the company and to engage further. So let's 1st get started with your questions and I hope I've captured all of them in the order that you asked them, but I may, I may I may go a little out of order Hopefully that's ok. So, your 1st question was regarding the order book.

So, I think early April or in April or early May, we had we had provided disclosure to the to the shareholders to the stock exchange, of, new, new cumulative orders being 200 approximately 237 crores, and subsequently since then, so in the, in the next three and a half, four months, we have added another 55 - 60 crores of orders. So, so we are, we are seeing the order book continue to be to be growing at a healthy pace. The momentum is keeping up and going forward we see the in the foreseeable future, we see the pipeline is strong so the momentum should continue. You've asked about the split between HAL and export order. I assume when you say HL you mean domestic industry domestic orders because we deal with it's not just HAL or export. Within, within India we have multiple customers both public sector as well as private sector.

So, so if I can give you a split between a rough split between, domestic and export, again, it varies obviously year to year given the nature of our business, but export is somewhere between 15 and 20 %, and, and the rest would be domestic business.

Your, next question was, about the, again, about the order book in terms of product and service and whether we sell them as a combination. So it, it varies. There are times we sell it as a combination. There are times where we sell the product and subsequently get the service order. I mean a lot.

Out of it is dependent on how customers like to operate and and there are times where the, the, the service, the service business because of its long, long, long term-oriented nature will then become a, a long term business standalone apart from the products. You sell the product once, but the service continues over a long period. So, I hope, I hope that answers your question. Coming to the next question in terms of the, the different business, it's not, you said segments, but we don't, we don't report segments individually, we have only, 1 segment that we report under.

But in terms of the, I think you're referring to the the class of goods and services as, as given in the notes to the accounts. So that yes, we have seen a jump in all segments and of course that is ideally what we like to see is to see all the different types of products that we do, growing, but, but that is, that is, that is not something that that always happens last year was good in in that in that we saw all the different types of products see good growth, but you're asking how much of this is repeat in nature. A decent amount is repeat in nature, but there is also a more than material chunk that is, that is, that is not repeat where it's either a combination of new R & D or it could be a new build to print, project or build to spec. So, so, of course. Just like any other business repeat business is important, but equally so, particularly from a growth perspective, new projects and new opportunities are equally material. You then also asked about a specific product landing year systems, whether we've, we've whether it's whether we've had any firm orders in that, in that product area, and I'm pleased to confirm that yes, we, we do have a, a firm order on the on the system side as well as we have already completed some orders on the on the subsystem side landing here. The firm order that we have is also now progressing quite well. In fact, it's quite quite advanced and it has already started contributing to our, to our results. Coming to your next question regarding approvals from the government in order to be able to export products, are we constrained in any way? So we are not well.



We are not, The the constraints come in more on offensive products, so weapons and and ammunition and so on. And, those are not products that we are looking to export. Our, our exports are in a very, very different, product range, which, which typically do not require any, any export or or come under any export restrictions to put it that way. Moving to your next question, where do we book MRO as a, the MRO business in the, in the various classification of products and services? So, it's a good question because actually the MRO business is not specific to one time product. So actually it accrues to it it falls within the the broader engineering systems category, but it is it is split largely speaking between handling systems and and aerospace systems because it depends on the type of product, but MRO comes with, with both of those predominantly as of today. Your next question was regarding how much of what we do is is developed in house and through partnerships. The, the, the very Frank answer to that is it's really a combination of both and it's a healthy combination of both because in many ways they are it's it's symbiotic, they feed off each other and and what the partnerships allow, so we do do a lot of in house development as well and that's an area that we're strength. We have strengthened in the past year, is our R & D set up so that that we can take on more development work to, to address some of the, the, the requirements that are coming up under the push of the government. But equally important is, is the partnerships because as the the common saying goals There's there's NO point reinventing the wheel if you don't have to. So there's a lot of, there's a lot of things where, it's not, it's not necessarily required for us to do all of the R and D ourselves. There are, we, we focus on where our, our strengths lie and, and follow the things we, we look at partnerships both both within India as well as from outside India. And, and to be honest that that combination has worked very well for us. Your next couple of questions are regarding the the land that the company has. So I'll I'll address them together that what is the land size Indiranagar and land in Bombasandra,? So in Bombasandra, we have about six and a half acres. indiranagar have somewhere around 3000 sq ft, and, what percentage of land will be non core for our operations? So today we are utilizing, I would say roughly 1/3rd of the land, and, and, and we we have enough headroom in there for, for the growth that we we see in the, in the near term and and. you ask for the Mysuru land and what are our plans with that? So an update in that regard is that because of a combination of factors, one was as, as I'm sure shareholders would have seen from the our our balance sheets over the years that the the land there has been has been under litigation right through. So we've had, we've had issues with because this was allotted by the, by the government. We've had issues with the land From and in some cases actually or to some extent even prior to allotment because of the way it was allotted, and so which meant that we had litigation effectively from day one, so that, that even all these years later remained the same. So that was one of the major factors and the other was given. The the growth opportunities we see in our core business, we didn't really want to divert management bandwidth into a, a new or a non, what would be a non core sector, so the advice we finally received was to, to go in for surrendering the land back to the government, particularly since we couldn't use it because of the litigation.

And that is what we have done and, and, and that has now been, been concluded and the company has also received a, a refund for whatever lease rentals and so on that we had paid to the government.

Coming back to your, you've you've come back then your next question was regarding the order booked gestation, in terms of that we are in long R and D development. And so what is the kind of, R and D spent in the last ten years? That's actually a great question. I think in the last Three or four years or five years we started capturing R and D spends more accurately. Prior to that, they were not they were not specifically classified as such, but I think suffice to say given the kind of development we've done and the investments we've made towards that over the last ten years, the, the investment in R and D would be. In the tens of crores. What is the significant edge you ask that has over other players? So I think there are a few different things that we like to think at our differentiators. One is that our business model is quite different for most of the others that we're quite, we're quite asset, we're quite, we're quite CapEx like, we're very, we're very focused on investing into CapEx, not as a, as to to create capacity to then sell, to sell capacity for the sake of capacity, but we invest specifically into projects based on customer requirements, based on what specific areas that we have identified in the market. So that is something that has served us well over the year And that is a model that we like to believe will be, will be core to our growth going forward as well. And then thirdly is that the, a lot of the product areas that we're into, we try to stay away from the crowd and and do things that are more niche and, and cater to our strengths, so that is also something that so far has worked out well for us.

Your, next question was whether we are, whether we are able to build new relationships with with some of the newer players, you, you gave an example of an an international OEM and a, and a private sector Indian OEM and again very happy to share that not not recent, but For a long time, we have been engaged with these companies, not, not just the specific names that you mentioned, but we we deal with with most of the large and midsized defence aerospace defense and space companies, including the private sector here in India. And, and also on the export side, we engage with some of the the, the large space and defense defense companies that are active in India. Finally you asked about the ambition in terms of the revenue target and your question was when can, when do you see us reaching the target and and whether we can sustain our existing margins?

So in terms of the roadmap that we see, we we are looking at the next three or four years as, as a period in which we can achieve that revenue target and and and the the way but coming back to what I said a little early in terms of the model that we're following.

We believe that the the model allows us to, to have these kind of margins and and the I think the other, the other thing that we've been, we've been quite conservative about is, is what we do with, with our retained earnings and and we've been quite focused on, on deploying that back into the business both in terms of investment.



As well as to support working capital. So one of the other areas that we that has been is contributed to is, is ensuring that we don't really have financing costs in terms of working capital. So that has also, that has also been important for for margin and we we expect that to to continue in terms of how we are looking at managing our treasury operations.

So with that, I think I have hopefully addressed all the questions that Mr. Nikhil had and we can move on to the next speaker. Can we go to the next speaker shareholder?

The 2nd shareholder is Mr. HARDIK INDRAMAL JAIN.

"Moderator Krishna"

Please unmute and go ahead, please. Okay.

"Mr. Hardik Jain"

The explanation of the previous questions were in detail, so most of my questions are answered, but I have some of the questions. Sir, so what the current book which you mentioned is around 300 crores as of today. So in how much time do you expect it should get completed?

Oh, so my next question is, what is the percentage of revenue that comes from the top five customers? So the two 3rd land at so do we plan to do we plan to sell it or we plan to develop or we will be keeping it with us for doing the CapEx?

Do we have any other land bank other than Indiranagar and bomasandra the and what are what are our plans in tourism business? What is the, so my last question is in next two, three years, where do you see our company's top line and margins of 19 20 % are the sustainable.

"MR.KUNAL SIKKA"

Thank you Mr.. I think your last question I'll I'll take on 1st because I think I just answered that to mr. Nikhil in terms of both the top line target as well as where we see, where we see our margins. So I think that has just been addressed to in the last question to the last speaker. Your next question was regarding the, what is the contribution of the top five customers of the company? The top five customers, again, obviously it varies year to year, but it's probably somewhere around 45 to 50 % in that, that kind of range, is, is, is probably is probably where it is Sounds sounds right to you. Yeah. You, you also asked.

About, about, the land of the company. So I think as we've we've telegraphed previously, we we have recognized that there is value in the land and and as as mentioned, a significant share which is not being used by the company today.

So, we are, we are in No hurry to, to decide what to do with it. We are, we are, we are continuing to evaluate various options. I don't think beyond that I'll be able to give you any specifics because we haven't, we haven't really taken a, a decision yet and I think it would it would not be. Oh or rather it would be appropriate for the company to to share it with the shareholders as soon as that decision is taken, but but we're not as I think it's it's key for me to stress we're not, we're not looking to do that in any hurry. The, the company is well capitalized and and we don't, we don't require to Don't take any any quick decisions to from that perspective. So we, we will be, we'll be more optimistic about it. Finally at the end of the day, we want to make sure that whatever decision is taken is in the best interest of the shareholders in that regard. You asked about the tourism project and actually that's something that I addressed to the last speaker as well, that the tourism project is now effectively closed based on the actions that the company has taken in the Last few months, and as I said, that decision was taken one primarily because of the, the litigation issues that had been going on for 2020 years now. So I think the company took a call that it's, it's, it's time that we, we, because we, there was NO way forward without the litigation being sorted out and and we didn't Really see any light at the end of the tunnel combined with the fact that we see, significant opportunity in our, in our core business that we we we all we That is another reason why we didn't want to continue down that road. I think with that I've got anything else that because there were a lot of new questions that you asked so I tried to make a note of all of them apart from the ones that you had asked earlier, there is, there is a One question that you asked in the in the in the questions that have been shared with you previously that you did not ask today, but I'd be happy to, to, to comment on that. You asked what are the challenges that you foresee in the business? And the main challenges I think remain the same as what we have conveyed previously and is in the is in the management discussion and And this analysis in the annual report as well in that again today for for for the defense sector in India, the key risk is obviously government policy and and government stability. So I think I think that is, that remains the key risk within that as well, us being a a smaller, a smaller company compared to say some of the larger players out there.

We don't have exposure to every program and project that there is. So, so naturally, our interest or or our fortunes are aligned with, with the government placing further orders for the platforms where our systems going to. So those are really the the main challenges that we foresee. Apart from that, the the. There's there's obviously the the standard challenges that any business faces in terms of the global economy, the Indian economy, interest rates and all of that. But, but those are the the main challenges specific to our business that, that, that I wanted to flag. Apart from that, one challenge that has, that has persisted more for longer than we expected is, is the, is there are still instructions in the global supply chain, as a post COVID.Post the the war in, in Eastern Europe and and and that's playing out in many ways. It's not, it's not just because of materials that come from those countries, but, but also post COVID there





are there are still labor shortages in the western world and and that is, that is still today causing impacts on the supply chain. So, we, and, and based on on what we're seeing and, and, and the the suppliers that we're talking to, we expect that to, to persist for a while longer. So that is, that is also an an area that we need to continue to monitor and manage to the best extent possible.

So, so thank you again, Mr. Hardik for your your continued I know you've you've participated in previous agm is as well as the speaker, so so we appreciate your interest and and thank you for the same.

Our 3rd speakers G R Balaji.

Sure kindly unmute and good please.

"G V S BHASKAR"

Yeah.

"Mr. G R Balaji"

I'm audible? Yeah.

Okay, thanks for the opportunity. Once again, I think there's a 3rd year I'm part of the AGM. My questions are, I think few of them has already spoken and asked and responded by the management. My 1st question is, new capabilities added during last year both in terms of technology or people. 2nd segment are human resource right by technical capability. Basically, we would like to understand what people part of Sika enterprise are. 3rd, big operational achievement which we were able to establish during last financial year. 4th, what is our growth playbook? Broadly, how we think about building this growth from hundred to 200 crores and the beyond that, right? Maybe some thoughts on how you think and operate on building the Sales as part of the overall strategy. 5th question, any big opportunity are we currently working which can help us to become a bigger player in the medium term? 6th question, which segment of the business where? Demand outlook is significantly improved in last one year and maybe what led to the improvement and finally CapEx plan if at all anything for next two years.

Thanks, thanks for the opportunity. Wish you a very good luck for the entire team .

Thank you very much Mr. Balaji and it's nice to hear, hear from you again. We do, we do appreciate your your interest in the company and your participation in the, the agm.

**MR. KUNAL SIKKA**

I'm Happy to provide answers to, to the questions that you've asked to the extent possible. Your 1st question was regarding new capabilities and that were added in the year. So I think 1 strong focus area of the company over the past year has been. Because of the opportunities that we see, again, again generated by the push is is the need to to strengthen and grow our R and D capability. And this this kind of goes back to something that I was I was saying when I was responding to the 1st speaker mr. Nikhil. That, that we see, we see a lot of opportunities both on the R and D as well as on the on the on through both through R and D as well as through partnerships. And so that is something that that we we strongly believe we see opportunity in and and and want to invest towards. So we have, we have over the past year, added our or strengthened significantly in our R and D area And and we believe that that is something that will will serve us well for, for time to come. I think in terms of technology, I obviously can't get into specifics but but again nature of our business is that every project that we take on effectively requires us to to upscale in terms of new technology and and I think that was the case over the last year as well. You asked about our, our human resources in terms of technical capability to better understand the organization. So I think what, what I can, what I can say in that regard is that probably, 80 % of our or 75 % of our manpower, probably 80 % is technical out of Out of the technical, probably, two thirds, if not higher than that are our engineers. So, so again it's it's part of it's it reflects our CapEx slide model where we focus more on, on the quality and capability of people rather than than shares numbers because again it it that this is well comes back to a point I made earlier in that we're not we're not a capacity shop trying to sell capacity to others, but rather we're trying to sell capability. A big operational achievement during the last financial year, I think The year prior as as as the shareholders are aware was, was a very challenging one from a execution perspective, a big part of that related to some of the customer whole points or the customer specified whole points that are, that are there in, that were there in some of the contracts and that was further compounded by the significant supply chain issues during financial year 22-23. So I think a big operational achievement has been kind of bringing those back online and, and, and, and, and get getting execution done on that front I think our team has, has really done a great job in terms of Mitigating some of those, those challenges that we have both in terms of being proactive with, with, with the agencies that are involved with the whole points from the customer side as well as being very proactive with suppliers to see how how best we can, because there's NO magic wand, it's not that, that and then suddenly 23-24 came around and and everything was great in the world. But, but there were a lot of, I would say baby steps taken to see how do we, how can we, how can we start executing the projects bit by bit so that by, by the end of the year we can, we can, we can start invoicing and I think that's that's something that we were able to achieve.

Coming to your question on the growth playbook, how do we think about it? I think as I, as I alluded to just now, one of the areas that we we we think about is, is that we see a lot of our opportunities on the new development front, so which is where strengthening our



R and D setup has been very important and and and it's, it's it's still an ongoing process. It's not, that's not a Part of it is, as I again said, we believe the technical partnerships that we have play a very key role because that allows us to, to really get to market faster than we would otherwise be able to if we try to do everything in house. And, and in terms of the market side of it is that we are, we are constantly looking at what other technologies that are required, what are the programs that are coming up and and where what which which ones, so there's NO point trying to chase everything. So we try to look at which other, which are the spaces that are the least congested and that that are that that are in our, in our broad area of capability and then we map those and go after those. So very broadly speaking, that is, that is the growth playbook that That that that we are following and and so far it has worked out well and your next question about any big opportunities we're currently working on, I think ties in well to that, that yes, there are, there are some relatively larger sized opportunities that that we are pursuing and and and And if if those those come through, they will definitely help us with our our our scaling up ambitions.

Your next question was, what is, which segment of the business solve the maximum demand outlook improvement in the last one year?

So I think as I answered Mr. Nikhil earlier, the 1st speaker, we don't actually have segment wise reporting, we have only one segment, but again coming back to it within the products, I think we saw, we saw We saw healthy growth across, across the different products and services, and in terms of the demand outlook as well, I think we're seeing, we're seeing good demand really across the space.

In terms of the growth that we've seen, we're expecting consistent demand momentum to continue. Finally you ask about CapEx plans for the next two years. I think as we've we've communicated previously, the company is committed to CapEx, but, but not for the sake of it, it will all be driven or or specific customer driven and and that is something that that we we expect will be continued to be required not only over the next two years, but in the coming years as well. So hopefully with that, I've been able to to the extent possible answer the questions that mr. Balaji very kindly provided.

Thank you once again, Mr. Balaji for for for for being an active participant in, in the company's agm and, and, and taking such an interest in the company.

And we look forward to continuing our association.

Our 4th and last speakers name is Mr. Pratyush Mittal give me a minute.

#### **Moderator Krishna"**

Okay, go ahead sir, please.

Yeah, good afternoon and thank you for this opportunity and 1st of all the way you have been answering all all these questions in depth, that is very helpful, so thank you for that. I would just like to ask a few questions to understand it more. So on the order book, what is our average execution time for the set order book? The next question is in FY 23 we saw a big difference sales and then we were again able to recover in FY 24. So what was the key reason for the fallen revenue in the last year? And if I look back over the last three years also the growth has been been that significant, and in the past also for the several years we have been stagnant at 40 to 50 crores, so if you could explain what have been the key reasons behind the limited growth. This year the order book we have announced is quite big. So what has changed for us as a company, was there some particular product that has seen increased demand or was it a new customer? In our overall sales, still the trading portion is quite big and manufacturing is lower Do we see this changing in the upcoming years with more manu manufacturing sales and how are we able to fetch these double digit margins in the trading business? Because it's very rare to see such kind of margins and working capital cycle in our trading business. So what are we doing? Differently. Next is we have given 3.2 crores advance for investment if you would explain that. And my last question is we have four subsidiaries, but none of them have any operations, so what is the purpose of these entities? And just to confirm it, you said We plan to achieve our target of two hundred crores in the next two to three years, right? That would be all for me.

#### **MR. KUNAL SIKKA**

Thanks, for your questions and thank you for registering as a speaker and and participating in this AGM. It's nice to have you join us. So I'll I'll go, I'll go backwards in the order of the questions that you've asked because your 1st question was about the revenue target, and yes, that is, that is definitely the target that we've been speaking about and that was what the 1st speaker had asked about and and I had responded to. So yes, that's correct. You asked about the four subsidiaries and and as you very rightly I have observed, they, they don't have any any operations major operations to speak of. What is the purpose of these entities? So these are, I would say, legacy at this, at this point in terms of, they've they've they've they've, each of them had a specific reason in the But, but they don't really, they don't really have a purpose today and e.g., if you take a SIKKA tourism private limited, that was set up as an SPV specifically to execute the, the mysore tourism project as I've as I've provided an update in that regard That so so this this entity will NO longer be required, so in fact, we were, we were waiting to conclude, just excuse me for 1 seconf. Sorry about that. We were, one, we were waiting to conclude what we do with the Mysure tourism project, so now that that is con concluded, that was one of the, one of the, the milestones that we were waiting for and apart from a couple of other things that are, that are Also in process. So once we have all of the elements in place, the idea is to to rationalize this because I, I understand the reason for your question and and I and





as a company we we agree that unless there are operations in these companies, there's NO point continuing them. So yes, the intent is very much to, to rationalize that structure.

Once hopefully in the near future we have all the elements in place that is needed to do them together. We'd rather not do them individually because as you would appreciate the the process and the cycle time and all of that that's involved in terms of going to through the the MCA process Can be quite tedious. So rather just have to do them all together. Your next question was regarding an advanced for investment of 3.2 crores in and specifically what this is for. So I I have Feedback from our CFO that this is this is purely as part of treasury operations at the end of the financial year where a check was or rather a payment advise was made for, for investment as part of our treasury operations, into a Into a particular fund, and I think with year end and so on by the time it was realized it was the new financial year. So it was it reflects on our balance sheet as as a, as an as an advanced investment, but by the start of the new financial year it was already an investment. So it is only it was only a treasury operation that because of the year end It got classified for two days as in advance or one day or something like that Your next question was regarding manufacturing and, and trading and I'm not sure where you, you get your data from, but the company's business is, is we we don't we don't have any pure trading. We are, we are into manufacturing, we're into value added manufacturing and we are into Into MRO and projects. So, so I can't really answer your questions about about double digit margins with the trading business, but I can, I can broadly I can more generally answer about our margins as I have done previously as well, is that A, we, we, we try to focus on niche areas where we're not, we're not competing just for Outline to get orders, but but we are we are competing for profitable business. And so that is one of the things that we do differently from some of our peers. And the other is that the, in terms of working capital cycle and or or other the other contributor to our margin is as I again mentioned to one of the, the last speakers is that we we fund all of our working capital out of our treasury operations. So we don't that that also provides a pretty decent boost of of a few percentage points, by, by not Relying on, on, on, on bank based working capital limits.

Your next. Yeah. So yeah, so I I think that ties into what I was, what I was saying to one of the previous speakers that we have we are very, we have a very strong emphasis on on working capital management and we we we expect that we will come Continue to run the business in that way. Your next question was regarding the the the previous year's fallen revenue and I suppose you were, you were not, you may not have been here part of the last AGM where we had addressed this in in detail. But as I actually just mentioned to the previous speaker Mr. Balaji As well, when he asked about what is one of the operational achievements in in the in the last financial year was that I said, as I answered that we had, in the previous year 22-23, we had a lot of operational challenges, A because of some of the projects, the large projects that we were executing had, had some customer hold points that saw in order delays. So when I say customer hold points, it means those are not, that are, that are in our control. It's either So dependencies on the customer or on their regulatory agencies. And so that was one of the major issues that we faced in the previous financial year in terms of execution. And the 2nd was more broadly, which didn't affect us exclusively, but a lot of other companies as well was some of the supply chain disruptions. That were that had peaked in that year and and that also caused a pretty sizable impact on the business. You also asked about the previous years prior to that as well in terms of what are what are the reasons behind the the variation in growth in the previous years and that largely comes down to A, it could be execution like what I I said happened in 22-23. But another big, big factor that, that we are obviously focused on seeing how can we, how can we reduce that, but, but it's it there's there's there's NO denying that it's still a factor is, is that we are, as I, as I mentioned one of the the previous speakers, we are on certain platforms that when those are ordered, we see, we see good order booking as well as then subsequent revenue execution, but if there is a period of time where those.

Period. Naturally then it it then has a, a significant impact on us. And, and so one of the ways that We've been trying to work on addressing that is obviously increasing our, our, our exposure to platforms to have, to have more platforms that we are part of. Again, that's easier said than done obviously, given the nature of our business but it but it is something that we are focused on and it is, it forms a, a key Part of our our growth plans as well.

Finally, you asked about about the order book, you asked that to to help share the the latest orders. So as I said, we announced cumulative orders of 236.5 crores as on the end of April 2024. And since then we've added about 55-60 crores Of orders, and in terms of the execution time that we see for this, it's it's it's mixed because some of them are longer dated orders, some of them are shorter dated orders, but suffice to say that the the momentum that we've, we've we've seen, coming out of 23-24, we expect that to continue.

In in the foreseeable future as well, into the next couple of financial years at least in terms of what we can, what we can reasonably project at this point. So hopefully with that I have answered all the questions of Mr. Mittal I as well. Thank you once again, mr. mr. Mittal for your very specific questions which which which shows the the interests with which you've, you've looked at the the the annual report and the balance.

And and also for your your participation in Today's that any Can you go to the next speaker, please?



**MR. Suraj Kumar Sahu:**

No, so right now I thank you Kunal sir, the MD and CEO of the company for clarifying all the queries raised by the speakers' shareholders. Right now I handed over to the chairman sir, to continue with the proceeding.

**MR. RAJEEV SIKKA:**

Thank You,

I appreciate the detail in which Kunal did answer all the questions of the speakers had, I would like the members to know that the e voting.

Members may note that the e-voting on the CDSL platform will continue to be available for the next 30 minutes. Therefore, Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mrs. Gauri Balankhe, Practising Company Secretary, as the Scrutinizer to supervise the e-voting process. Further, I hereby authorize Mr. Suraj Kumar Sahu, Company Secretary of the Company, to declare the result of the voting and place the results on the website of the Company and Stock Exchange. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We are grateful to all our Shareholders for attending the meeting and I hereby declare the proceedings of this 38th AGM as closed.

Thank you very much and see you at Next year AGM.

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