Transcript of the 40th Annual General Meeting of Sika Interplant Systems Limited
Held on Wednesday, August 12, 2026, at 11:30 A.M. (IST) via Video Conferencing ("VC")

Mr. Rajeev Sikka (Chairman)

Good morning, Sika's shareholders. On behalf of the board of directors of the company, I would like to welcome, I Rajeev Sikka, Chairman of the company would like to welcome all of you for the 40th annual general meeting of the company.

Do we have quorum.

Mr. Suraj Kumar Sahu (Company Secretary)
Yes, Sir. quorum is present.

Mr. Rajeev Sikka (Chairman)

The Quorum being in order, Now I would like to introduce my fellow directors and officers to you. On my right is Mr. Kunal Sikka, Managing Director & CEO of the Company. Second on right is Mr. Dinesh Balaraj Chief Operating Officer of the Company. My left is Mr. Suraj Sahu, Company Secretary of the Company and second on the left is Mr. Satish Chief Financial Officer of the company. I would also like to acknowledge the presence of our Independent Directors, Mr. Sushil Khanna, Independent director & chairman of audit Committee joining through Video Conferencing. Mr. G.V.S Bhaskar Independent Director & Chairman of Nomination and Remuneration Committee & shareholders Relationship committee of the company is participating through Video conferencing from Bangalore. Mr. Jayapal, Independent Director & chairperson of Corporate social responsibility committee of the company participating through video conference from Bangalore. Mrs Anuradha Sikka non - executive director of the company is participating through video conference from Bangalore.

I would also like to acknowledge the participation presence through Video Conferencing of Mr. S B Subhash, representing Chartered Accountants, Messrs. Rao and Emmar is participating through video conferencing from Bangalore. Now I request Mr. Suraj Kumar Sahu, Company Secretary, to provide general direction to the Members regarding participation in this meeting.

Mr. Suraj Kumar Sahu (Company Secretary):

Thank you, Sir.

Good morning, shareholders!

The Company has enabled the Members to participate at the 40th Annual General Meeting through the video conferencing facility provided by CDSL, in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.

The Facility to join this meeting via video conference has been made available to members on a first come-first served basis. All Members who have joined the meeting have been placed on mute by default by the moderator to ensure smooth conduct of the proceedings.

The participation of Members through Video Conferencing is being counted for the purpose of quorum in accordance with the circulars issued by the Ministry of Corporate Affairs and the provisions of Section 103 of the Companies Act, 2013.

This meeting is being conducted through Video Conferencing in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI.

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

Members joining the meeting through Video Conferencing, who have not already cast their votes through remote e-voting, may cast their votes using the Insta Poll e-voting facility provided by CDSL, which will remain open for 30 minutes after the conclusion of the Annual General Meeting.

The Company has appointed Mrs. Gauri Balankhe, Practising Company Secretary, as the Scrutinizer to collate the voting results of both the remote e-voting and the Insta Poll e-voting conducted during the e-AGM, for each of the resolutions as set out in the Notice.

Members are requested to refer to the additional information provided in the Notes to the Annual General Meeting Notice.

In view of the limited time available, each registered speaker is requested to keep their questions specific and brief. Each speaker will be allotted three (3) minutes to raise their questions.

Shareholders are hereby advised that statements made by the management during the Q&A session, which describe the Company's objectives, projections, estimates, expectations, or predictions, may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. The Company assumes no responsibility for any such forward-looking statements, which may be subject to change based on subsequent developments, information, or future events.

Kindly note that the Company operates in the defence sector and holds a corresponding license from the Government of India. As such, there are confidentiality restrictions on the nature and extent of 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 conducted through video conferencing, the facility for appointment of proxies by Members is not applicable. Accordingly, the proxy register is not available for inspection.

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

Mr. Rajeev Sikka (Chairman)

Thank you, Suraj. The Company has taken the necessary steps to enable Members to participate in the meeting and vote on the resolutions being considered. As the Notice of the Meeting has already been circulated to all Members, I take the Notice as read.

Since there are no qualifications, observations, or comments in the Independent Auditors' Report on the Standalone and Consolidated Financial Statements, as well as in the Secretarial Audit Report, and with the consent of the Members, I take both the Independent Auditors' Report and the Secretarial Audit Report as read.

I now request Mr. Sahu, Company Secretary of the Company, to kindly recap all Seven (7) resolutions proposed to be passed at this AGM for the benefit of the Members present.

Mr. Suraj Kumar Sahu (Company Secretary):
Thank you, Sir.

The Resolution Details as follows:

ORDINARY BUSINESS:
1. To receive, consider, and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026, 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 2026, together with the Report of the Auditors thereon.
3. To declare a dividend of ₹3.50/- per equity share for the financial year ended 31st March 2026.
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. To ratify the remuneration of the Cost Auditor of the Company for the Financial Year ending 31st March 2027.
6. Re-appointment of Mr. Rajeev Sikka (DIN: 00902887) as Executive Chairman and Whole-time Director for a period of three years from 1st April 2027 to 31st March 2030.
7.Re-appointment of Mr. Kunal Sikka (DIN: 05240807) as Managing Director and Chief Executive Officer from 1st April 2027 to 31st March 2030.

Members may kindly note that the e-voting facility on the CDSL platform will remain open for 30 minutes after the conclusion of the meeting.

We will now begin the shareholder interaction session. We have received requests from **shareholders who have pre-registered** as speakers. Each speaker shareholders will be unmuted in turn and will have up to **2 to 3 minutes** to ask their questions or share their comments.

We respectfully request all speaker shareholders to keep their remarks brief and to the point, so that everyone gets an opportunity to speak. Once a speaker has finished, they will be muted again.

We have also received a few **written questions** from shareholders who have not registered to speak. These will also be addressed during the session.

To ensure smooth conduct and avoid repetition, we may **respond collectively after every few speakers**, particularly where similar topics are raised.

With that, I now request the moderator from CDSL, **Mr. Srikanth Reddy**, to kindly unmute the audio and video of the respective shareholders as their names are called, so they may proceed with their questions.

We shall now begin inviting the registered speaker shareholders, one by one.

The 1st speaker shareholder **Mr. Hardik Indramal Jain**

Mr. Srikanth Reddy (Moderator - CDSL):

Mr. Hardik, can you please unmute yourself?

Mr. Hardik Indramal Jain (Speaker Shareholder)

Yeah, I sir, thank you for the opportunity. I will go through my, all the questions. My 1st question is on the, what is our current order book and what is the execution timeline? If you can name our competitors, who are they? Also Sir, we have a free hold land, so what is the size and its value?

As I can see in the balance sheet, there are two lands which is in Bommasandra & Indira Nagar. What is their current value? This is an approximate figure and their land size. Also sir, I could see that in our engineering systems, there are three segments, handling systems, aerospace segments and others. So in the others part, the sales have been 20 Crores this year versus 1.3 crores last year. So, want to know which product has contributed in this segment. Also want to understand what all products come in the aerospace systems, server products, and aircraft parts. Also, sir, what are the top three products which contribute to our revenue? And so, my last question is on the, what is the revenue guidance EBITA margin guidance that is for the financial year 27 and 28.

Thank you, sir.

Mr. Srikanth Reddy (Moderator - CDSL):

Thank you. Mr. Hardhik We have our second speaker, Mr. Yashvee Kothari.

Sir, can you please unmute yourself?

Mr. Yashvee Kothari (Speaker Shareholder)

Yeah, hello. Am I audible?

Mr. Srikanth Reddy (Moderator - CDSL):

Yeah, you are audible, please go-ahead sir.

Mr. Yashvee Kothari (Speaker Shareholder)

So like if you can break up our order book like how much is the service sides or how much in the MRO and with respect to that aerospace and all and adding to that like right now though LCA Tejas and other program of the HAL already in production line and they are ramping up so how much that open up the potentials of order inflow, and we had a Collins aerospace collaborations for the MRO that we did last year. So when it will start to contribute into our revenue and did the training competitions for our employee has been completed over there or not? And is there any other product or service that we are planning to introduce in the future time frame? That's it from my side, so thank you.

Mr. Suraj Kumar Sahu (Company Secretary):
And we move to the 3rd speaker shareholder Mr. Henil Manoj Bagadia.

Mr. Henil Manoj Bagadia (Speaker Shareholder)

Hello? I hope I'm audible sir.

Thank you for the opportunity, sir. So I would appreciate if you could acknowledge if you received the set of questions that sent last evening.

Mr. Kunal Sikka (Managing Director)

Sorry? No unfortunately I'm not aware of the questions so if you can, if you can ask them now, please.

Mr. Henil Manoj Bagadia (Speaker Shareholder)

So there are quite a few questions, but I'll still try my best and I've also sent it so if post the AGM if one of the, some of the management people can, I can get in touch with some of the people from the management and get some understanding out there. So briefly I would like to cover some, so.

With respect to the landing gear part, we have been approved for the UAB side. So if you could also allude if we got if the designs was in house or did we get a license from DRDO and do we have all approvals across the application that is from in the UAV side in the defence jet side, in the commercial jet side or are there some pending applications that we, for which we yet to have received some approvals. If we see the landing gear side, We have a very good position and the more than landing gear side, so if you compare ourselves to some of the other larger space companies like Godrej or Dynamatic Tech so what is our right to win and are we doing the entire assemblies or are we just doing a part of it as a subsystems? And do you see the application actually increasing beyond our current scope. So for the UAV programs, there's been a lot of delays around the Rustam 2 and the mail program. So have you also seen the orders actually being delayed because I think so here even the pilots have not been tested the prototype pilot has not been tested, so if you could allude that as to when you see a positive order flows regarding the landing year side in UAV.

So with respect to the server and the aerospace components, so if you could just address what's the total addressable market size. And since we are also supplying to HAL, do you also see actuated supplies for the missile and other broader defense applications or we just restricted to the aviation side right now? And what is your roadmap on expanding applications into other projects? Or, products in aerospace and defense application. If you see the MRO opportunity that you've signed with Collins happens to be one of the largest MRO guy MRO players for a lot of the airbus fleets I, we are approved by A320 and A321. But they also have for the wider body just that is the A 350 and one more jet. So right Now we are just supplying 20 parts, so we all what is the time that we can do from our end because there are thousands of parts that go into MRO. So from 20 what part number do you actually foresee reaching in a few years? And do you also plan to get into other wider body jets in Airbus or in Boeing which also is dealt by Collins and given the large orders that has been placed. By Indigo and air India. Do you see a large MRO actually coming up here because right now the MRO is very less so in few years MRO does plan to increase also on the back of government initiatives. So I mean, how do you see these at this entire space? If we actually also see the OEM partnerships, we have also got a partnership that we assigned with radiant power for ground test equipment. So if you could allude. What the scope out here is it just the groundest equipment or do you have airborne equipments in this particular partnership also? And what is the scope because here there has been very little information that has been mentioned around how scalable the partnership can be. Some more understanding from your end would help. So if you see defense other than Hal, do you see direct approval from the Indian Arm forces DRDO or any other defense bodies where we can do direct supplies or do you just plan to stick to Hal? And Hal, we are actually penetrated the customer in the airbus in sorry the aero show of 2023. But in the aero shows falling in the following years, do you, do you did you see any MOU? Those are meaningful contracts or understanding that you developed with Hal or any other company. So if you see the BTS who are built to spec versus built to print, what kind of opportunity that you see across the three large segments that you've actually mentioned, the aircraft part, the aircraft services, MRO and the other aerospace based application products that you supply. And in the airborned medical support that we have done with Hal, do you see further projects coming or was it just a one of specialization?

A Special BTS opportunity that we got. Also on the flight subsystem or anything that you're building on the BTS part. And in the BTS part, when we develop these products, for the capex , that we do and do we get any money from the customers while we're actually building this product because it's a pretty IP heavy business and do we retain the IP or is it the IP rights are shared with the customer or how the exclusive supply works. Some more understanding here would actually also help. In the build to print versus build to spec economics, if you could give some more understanding because I think so it's Two is to one ratio, two times of build to print versus one of build to spec, how do you see this ratio going forward and what kind of margin impact do you see this happening on our overall business and the what kind of working capital and capex intensity that you see?

So if you see the segment I think so, our server products have grown pretty much from 30 to 80 crores plus an aircraft passed from 20 to 64. But if you see the handling system and aerospace it's not been it's pretty stagnant, so what was the constraint on these two segments and how do you see all the four segments in the next phase of growth?

In the handling system, what part is auto? Because we had a serious plans to de risk from auto and get more into aerospace where I mean the number of the bill, the billable hours and also the amount that revenue per hour is also significantly more compared to arrow. So how do you see the auto transitioning down and what share is it Right how do you see the share actually coming down? So CapEx and land monetization I think so one of my previous participants have alluded to land monetization on the Indira nagar of the land parcel, how do you see that coming? Because we see a lot of opportunity in the existing aerospace and a few of our peers have also done a lot of tuck in acquisition. So any inorganic opportunities that you've been assessing and when do you see that actually planning out and is it gonna be capability add or is it gonna be Adding new customers and also we've also earmarked 63 crores for CapEx, so if you could give some more understanding on where the CapEx is gonna be gonna happen new capability wise, is it completely backed by customers because that's what our previous DNA has been that we would do CapEx only if we've got backed orders from customers. And lastly on the, the M and A side, the current Valuations in a lot in the entire space is very high. So what kind of valuation comfort do you see for making any inorganic acquisition? So thank you for the opportunity, but I would still appreciate if the secretarial team and the management could see the questions which I've actually mentioned in a lot more detail and if I could get in touch with one of you and get some more understanding of the company. So thank you and wish you all the best.

Mr. Kunal Sikka (Managing Director)

Mr. Bagadia Before, before you get you get on, you get muted, just wanted a clarification. You asked about one of your earlier questions was on build to spec on flight subsystems. What did you ask just before that was I appreciate you were going through your questions quite quickly, but I missed that question if you could Repeat what you asked on, before prior to build to spec relating to flight subsystem.

Mr. Henil Manoj Bagadia (Speaker Shareholder)

So, we had actually done a built to spec, a contract for HAL in the Airbone medical support for one of the ALH helicopters. So this was a specialized application program that we had actually developed for them. It was a build to spec opportunity. So in build to spec, what happens is we develop the programs and then it the revenues usually depend upon how many recurring orders we get. So in this I actually wanted to be understanding that what is the opportunity on the Airbone medical support because we've executed one orders. Do you see such orders actually come most of such orders coming? And also in the build to spec we had some pocs on the flight subsystem part so I wanted to Understand that have we executed orders in past and how do you see the flow? Because flight subsystem is a pretty recurring order that a lot of customers in our segment have got. So some more understanding out there would also help. I hope I'm clear or do you, were you pointing at some other question?

Mr. Kunal Sikka (Managing Director)

I think I think that's, that's the one I'd missed because I don't have a note of that, so that must be it. Thank you.

Mr. Suraj Kumar Sahu (Company Secretary):

So next our speaker's shareholder is **Himanshu Trivedi**

Mr. Himanshu Anilbhai Trivedi (Speaker Shareholder)

Yeah, hello? Am I audible? Can you hear me? Yeah. Hello? Yeah.

Good morning, all of you. Respected chairman Rajeev Sikka and other BOD. Myself Himanshu Trivedi from Gujrat Vadodara. First of all, I am thankful to company secretary Mr. Suraj Kumar Sahu who is the sending the soft copy of AGM notice which is full of information practically placed which is easy to follow easy to understand. So I'm thankful to you and your entire secretarial team. Particularly Suraj Sahu sir is the combination & co-ordination is very excellent and very wonderful sir. I appreciate his dedicated services as a secretarial team. I don't have much because I have full faith on board and they're working. I have already sent my question query to the email with them, give the opportunity to speak my speaker sir, as a speaker, still I have figured sir. What is the market share? We have a domestic market. My second query, what would be the profit saying is of coming final year, and as on date, how much. How many order are booked from aerospace and defense sir? I wish good luck and for coming financial and coming festival. Thank you to allowed to speak sir. As the festival season, please remember speakers shareholder as same as your employees and your family member. Thank you to allowed to speak, thank you sir.

Mr. Kunal Sikka (Managing Director)

Thank you. Thank you, thank you sir.

Mr. Suraj Kumar Sahu (Company Secretary:

The next speaker shareholder is Lataben Nareshkumar Jariwala

Mr. Srikanth Reddy (Moderator - CDSL):

Ankit, Mr. Ankit, can you please unmute yourself?

Mr. Ankit Zaveri (Speaker Shareholder)

Yes sir. Am I audible.

Mr. Srikanth Reddy (Moderator - CDSL):

Yes, please go ahead.

Mr. Kunal Sikka (Managing Director)
This is not clear. There's an echo coming Mr. Zaveri, we're not able to hear you.

Mr. Ankit Zaveri (Speaker Shareholder)

Can you hear me share now?

Mr. Kunal Sikka (Managing Director)
Nope, Nope

Mr. Ankit Zaveri (Speaker Shareholder)
Am I audible sir? No.

Mr. Suraj Kumar Sahu (Company Secretary):

Sir, you are Not audible.

Mr. Ankit Zaveri (Speaker Shareholder)
Hello? Am I audible now.

Mr. Kunal Sikka (Managing Director)
Yeah, it's better now. Yeah.

Mr. Ankit Zaveri (Speaker Shareholder)
sorry for that. Respected chairman Sri Rajeev Sikka ji, CEO Kunal Sikka ji, member of the board and fellow shareholders, Namaskar! Sir I have already submitted detailed advanced queries by email to Mr. Sahu ji. In the interest of the time, I will not repeat them here. A trust management will address them here as appropriate time or give written reply at earliest.

But a few point I'd like to raise here directly with your permission. Sir, India's defense budget has jumped around 15 % this year. Aircraft and arrow engines allocation alone grow 31 %. Sir global OEM are racing to establish Indian partnerships.

Operations Sindoor has demonstrated the urgency of indigenous aerospace capability. The civilization boom continues with around 12,1200 aircraft expected by 2030. Sir, my question to the board is simple and important.

In your assessment is fully positioned to capture this once in a generation opportunity? Are we structured resourced and partnered correctly to participate in both domestic defense requirements and growing global interest in Indian aerospace and defense destination?

Sir, what is board's ambition for Sika in this landscape over next few years? Sir, other one is a fresh order fell from around rupees to 270 crores to 165 crores in FY 26. Does management have confidence? FY 27 revenue will match or exceed FY 26 and On Aerotek sika, India's only private sematic approved landing gear facility. Is this subsidiary actively in the discussion with HAL or armed forces?

Shareholders need to know this strategy asset is being activated. Sir, at the end my earnest request to the management is since we do not conduct any on call and do not give any investor presentation. I humbly request to board to consider events investor presentation and con-call after every quarter or once annually. It will transform shareholders confidence and help us to understand this business.

That today deserves. Thank you, sir. Dhanya wad! Jay Hind!.

Mr. Kunal Sikka (Managing Director)

Thank you Mr. Zaveri

Mr. Kunal Sikka (Managing Director)

Thank you, Dear Shareholders for those for the questions that you all posed I think a lot of a lot of really good questions that were of course more than happy to address.

I'll I've I've tried to make notes as, as the speakers went along some of some of some of the speakers ask questions at a, at a very fast rate so you'll have to forgive me if I've if I've in between missed.

Something or or not, not correctly noted down something but we'll, we'll try to address as much of what was asked as possible. So in general, there were, I think most of the speakers as well as the questions that came in asked about order book.

So in terms of order book, we are, it's it's currently roughly about one and a half times last year's revenue, and we are comfortable with that figure because e.g. the MRO share of our business continues to grow, yeah, it is now fairly material, but the the nature of the MRO. The business is that it is not typically reflected in the order book given that individual repair orders arrive only shortly before the work is performed and and the way the again the nature of the work is it's not, it's not long term in nature. It can be anywhere between two weeks to three months on average, it can be longer than that as well in, in specific cases depending on The nature of the repair if it is not a standard repair and so on. But typically speaking on average, it's a, it's a much shorter turnaround time. Yeah, and then when we say repair, we're talking about MRO, so it's repair and overhaul, not just repairs. So again, standard overhauls as long as there's NO non standard activity to be done falls within the range that I mentioned. So that is something that is not reflected in the order book, but But continues to to to take a bigger share of our overall output. In terms of execution of the order book, we are at a similar place as we, we have been over the last few years. It's again on average six to 24 months depending on the specifics of, of the respective underlying orders.

Again, there are, there are some now which turned around fairly quickly on products that are not, that have shorter lead times in terms of their, their overall, their their overall structure, the the way the the type of components that go into it, the volumes that are involved, so this leads me to one of the questions that that somebody had asked about whether HAL is our only customer or we have plans to go to other customers. I'd like to be very clear that HAL is definitely not our only customer. They are a very important customer to us, NO doubt. But we have, we have a number of other DPSU material customers, DRDO, we have also tarted working directly over the last few years with the armed forces. So, so we have, we have, we have a decent amount of diversification among the among the domestic customer base because we also work directly with some of the the large private sector tier ones as well.

So, so the the we're definitely not restricted only to HAL and and so with some of the products that we are, we are now going into relatively higher, higher run rate production on, those ones have quicker turnarounds in terms of the production cycle or execution cycle, and again may not may not Not be actually accurately captured in in the in the static order order book figure that was that is as of a particular date. On the question regarding our, the, the assets, the the free hold land that the company, owns. So the company owns two parcels of land. One is a six and half acres in the Bommasandra industrial area in South Bangalore, which is where our operations and facility in terms of everything that we Don't do at our corporate and sales offices is happens and the other is roughly 3000 sq ft site in Indira Nagar in bangalore. So the the the site in Bangalore is is there's there's full intention for us to use that for the company's operations as we grow.In fact, that is something that we are actively working on and and hope to finalize what we are or or or not what we're gonna do with it, but the plan to, to move forward on what we're gonna do with it in in relatively near future. And we will of course keep the the members updated as and when that happens.

In terms of value of that land, that is something that, I, I don't think I'd be able to comment on because, because we are not we are not, we're not getting the land revalued every year or something like that. So, so we don't, we don't know what or or we can't really comment on what the current current value of, of those assets are.

There was a question regarding.I'm trying to read my own line writing here again. order book, so there was a question about the breakup of the order book coming back to the order book. How much is it on the service side? How much is on the error side? Now that is something that we intentionally don't.Don't break down and and we intend to keep it that way. For a number of reasons, one is obviously competitive. The, 2nd is also that the nature of our business is such that given the variety, there can be a lot of volatility year to year in terms of what the composition of our order book as well as execution cycle is.

And, and so to avoid avoid a situation where you really can't make a a proper comparison year to year or period to period, we we we we don't break down the order book and we don't intend to to to do to to start doing that either. There was a question about LCA and other such programs ramping up and what is the potential for, for sika on that. So I I I won't restrict my response specifically on, on one particular program like LCA, but rather what I would say is that yes, there are a lot of programs ramping up, not just on the aero side, but also on the land side. Again, it could be in terms of armed fighting vehicles, it could be in terms of radars and so on. And I think there's NO doubt that just like the rest of the of the industry, these are all tailwinds for we are actively involved in a number of such programs and and I think that is reflected in in the numbers that the company has been able to generate over the last two or three years.

On the question that came up again for multiple speakers about Collins, the partnership with Collins, one, I think one update that's that's relevant to to share is that it would be probably not right to continue to call it a partnership with Collins. Collins has actually post our signing that Agreement that part of the business has been sold to another equally well respected and and large global OEM called Safran of France. So actually now our our execution is happening with, with the co with the Collins business that is now part of Safran. I think as we had guided during the the previous AGM when when we had just signed very recently signed this this partnership or this deal that we we expected that it would take at least two years before the the facility and and the the the work under that the operations would be, would be commissioned That still that timeline still holds good. So we're we're about a year out before we can start actually working on that in terms of commissioning that and then after we will have to get, so so that is commissioning of the facility. Then after again the way aerospace works is we will have to get specific regulatory approval approvals for that, which you can only happen once all the facilities are set up and, and are, and have been validated. And so that is really the long lead cycle in this entire thing is some of the critical testing equipment that is part of that is what is driving the, the, the overall timeline. So, as of now that That timeline holds good in terms of where we were even, let's say six months or nine months ago to a large extent. And as part of that, things like training and so on are, are, are part of that, are part of that schedule and will be will our plan to be completed in line with the timeline that we've indicated.

There's a question about whether we intend to get into new products and services, and I think that is, that is something without doubt that we are continuously looking at. At the end of the day, Sika in terms of our business and, and where we have grown is by By listening to what our customers need, where we are hearing about potential pain points or future requirements in terms of new technologies and looking at how we can map that to where, where, where we can fit in. Similarly there's also a lot happening thanks to the government's emphasis on on make in India and Aatmanirbhar Bharat in terms of the indigenization programs and that is also an area where we're quite active. We have we have successfully completed some some projects already in the last few years and we have a pipe, a strong pipeline of projects that we are, we have positioned ourselves is for and continue to do. So, so we that that is definitely an area that we we see future growth coming from and and that naturally means venturing into new products and new services.

I'll move on to the questions from the next speaker I think I hope I've covered everything from the 1st two speakers. So moving on to the questions from Mr. Bagadia, the 1st one was regarding landing gear. So the question was regarding one of the completed projects that we've we've previously referenced. Which he has indicated was sort of UAB, whether it was a in house design or it was a DRDO design. So this particular case, it was a customer design. His other question was, are we doing only a part of it? Are we doing only subsystems or are we doing the entire assembly? So in, in again in the Specific case that he referenced. We have done the complete end to end system right from raw material to giving a completely equipped a completely equipped landing gear system, not just mechanical, not just hydraulic, not just electronics, but, but everything integrated and put together ready for the customer to integrate onto the aircraft.

There there was also a question related to landing gear approvals from different customers. So, what I would say on that is there's not, there's not something so specific in terms of landing gear specific approvals. It's more capability approvals and in general, wherever there are opportunities that we see where there could be landing gear either manufacturing or MRO opportunity.

We have positioned ourselves with those customers to secure whether it's an approval or or validation of our capability. On the question to do with the, the growth in, in, in certain segments in terms of server, arrow and so on, and, and whether we are, we are only focused on aerospace or whether we see opportunities in, in other spaces, the the speaker asked specifically on missiles and actuators and so on. So without commenting specifically on, on, on that particular segment that That you mentioned what I can I can say without a doubt is that NO, absolutely we are not only restricted to aero. Again, this is this is related or similar to the question that one of the other speakers asked about, about whether we are only restricted to working with HAL or we are open to other customers that Likewise, we are not only working on aero. We have a very strong franchise on non-aero on the non-aero side as well in terms of particularly on land again within land number of different segments. I already mentioned a few of those and and we we we continue to see very good growth opportunities on that side as well as, as the ecosystem as a whole continues to see traction by way of orders from the government more and more encouragement from the government and of course the the the I would say after effects not just of of operations sindoor as one of the the speakers reference, but in general, in terms of the geopolitical environment in the world today, there's there's certainly there's there's certainly a tailwind in general to our, our industry from that.

So Mr. Begadia also asked about some questions on Collins MRO that whether we are also looking at getting into other components with Collins specifically considering their large size as well as white body. I think suffice to say without commenting on any specifics. Because everything is at until something is definitive, we can't really speak about it, but we are we we as we said previously as well, the the 1st agreement that we had was is only meant to be a stepping stone or a starting point in for us in the, in the civil MRO area. In general, not, not specific to Collins, in general, we are looking at growing that over the long term as as the the the civil fleet size continues to grow and that creates obviously a, a significant addressable opportunity and market for us. But at the same time, we can only move at the speed of, of the op that that the opportunity allows us. And what I mean is that there are there are a number of gating factors that are involved that we we obviously have to deal with. Those have to do on the regulatory side as well, not just within India but because on the civil side, we would we would be dealing with With with customers and operators from other countries as well. So, so, so, so getting those regulatory approvals and and so it's the while the long term, the long term opportunity and our focus on that remains strong, it is something that will take time to develop. On the white body side,what I would say is we are more focused on the narrow body, not for anything else, but the fact that the narrow body fleet in our, in our domestic market far far far exceeds the white body and even though the white body fleet is expected to grow with the orders that the airlines have, particularly Indigo and air India, they will still be duffed in comparison to what the narrow body fleet is today and what it is expected to go grow to based on on the order The orders that they have on hand already for aircraft. So just given that if for for for based on on the, on the economics and on and the economies of scale, the narrow body fleet would still be more attractive to us. I think where we would potentially in the future look at the white body fleet is once we establish a particular capability, let's say on a, on a certain family of products. On the, on the narrow body side, if we can find that with, with, with limited incremental investment, we can, we can scale up to to supporting the narrow body fleets on, on similar components, then that could be a potential opportunity, but I think we're, we're a bit away from that at this stage.

There was also a question from him about our partnership with with radiant power, whether the the the partnership is, is restricted only to ground equipment or whether it covers airborne also. So the way the, I mean the the way the the partnership is structured is that Start with to set up capability, we're starting with the ground equipment as as phase one, but the the the plan is that in the next phase, the, we will be moving on to, to airborne equipment as well and and and really from from Sika's perspective, that is, that is what makes the overall Partnership attractive is, is to graduate onto that front again being on the civil side and and having its its unique regulatory challenges that build out on the on the ground equipment side is undergoing right now. In fact, we're nearly, we are we're quite advanced in terms of the, the facility establishment as well as training Validation and so on. So we're hopeful that in the in the near future we will also get the regulatory validation that is required. And again, the question regarding potential here, this is something that would would potentially support all of our domestic commercial fleets, military fleets, as well as other fleets in the region outside of India. The question here from Mr. Bagadia regarding other than HaL Customers. I think I've already answered that. There was also a question from him regarding the 2023 MOU that we signed with HAL so that is something in terms of what has come out of it, the specifics I'm not I'm not entitled to be able to disclose, but what I can say is that it has definitely been something that that was and remains positive for us. We continue to pursue, we have seen, we have seen projects get realized that fall within the scope of, of what was defined there, and, and we continue to pursue new projects that that are that hopefully will contribute to our Our growth in the years to come. Next up, the question was regarding, build to print versus build to spec on different segments and whether we we plan to continue to maintain a two is to one ratio. I think broadly speaking, that is, that is something that works for us. If we are comfortable with it, it works In terms of how we allocate capacity and resources, as well as in terms of maintaining the balance that we have, that we are comfortable with in terms of our margins. So on that front we, we do we don't foresee a need to make any significant adjustments there. Of course, year to year depending on on Where we are able to secure business based on customer needs. There may be some slight variations, but on average, that is where we would like to continue keeping, keeping that, that split. There was also a question from Mr. Bagadia about build to spec in terms of whether we've had any repeat of follow on orders for a particular product category that he mentioned. So, I can confirm that we have had success not just on that platform, but on other platforms as well in in the that area in that family of, of, of, of, of products. And, and so that's an area that we we continue to that that that that has has grown quite quite well for us. It has become a fairly significant product line for us in terms of our, let's say top product lines. And the the the bright side is that we we we see we see that as an area that has a significant potential for growth in the years to come, not just on the military side, but also on the on the non military side, non military aero side as well. Not to not that's not to say that we expect that to, to start contributing the current year immediately, but it's something that we believe forms a very important part of our pipeline In the medium to long term. Also, his next question was was with regard to again built to spec in terms of flight subsystems. He wanted to know whether that is something that we are, we are active in. I think No doubt that is something that is a very, very significant business for sika. And the question in that regard was whether the investment relating to that is completely ours or whether there's customer contribution. So what I would say is it's it's it's really a combination, so obviously where where where customer contribution is available, we do seek that and and pursue opportunities that have that. So there are, there are several cases where customers do pay for or do, do cover some of the cost of, of development And and and and and so those are, the good thing about those is that then there's also some commitment from the customer to, to buy some quantities of, of, of it after development as well, so that that comes part and parcel, but in those cases you had a question about IP. In some of those cases, the customers insists since they contributing to the development that the IP will be jointly held, which we are generally comfortable with as long as the the terms and conditions are underlying that IP ensure that we we remain the, we have a a kind of 1st right of refusal on that. So as long as that is there, we're ok, but that's It's not to say that we don't fund our own development as well. We do strategically tactically based on again, as I said earlier, where we feel there is a customer pain point or a future customer need coming up and and but there isn't necessarily defined customer funding available for development.

We do, we do as long as we see the business case for it and we we are able to to approve that internally, we then do go ahead and go ahead and put our own investment into developing products and that's for us that is something that that is ongoing now and and and will continue to, to, to be that way.

In regard to certain the the Mr. Bagadia asked about that certain of our, our categories within our our revenue that some of them are growing well, whereas others are a bit flat. So again, this is something that I think. I've been saying every year since I joined the company that it's the nature of our business in terms of projects being projects driven, it depends, we are dependent on where our customers are spending money, where, which programs they are putting money into and and so really growth in one segment versus another is is based on that. One one segment growing versus another staying flat to us, that is not a worry because as we've typically. This has a way of of balancing itself over over a longer period of time. So that that to us there's there's No change of strategy or or thinking in that regard.

On on Mr Bagadia questions regarding automotive and what, what Contribution it has to our business today. So I think as we've been we've been telegraphing over the years, it's it's be been becoming a much smaller and smaller part of our business with each year. And if I'm not mistaken, in this year's management discussion analysis, in fact, we've, we've even removed any mention of automotive because it's become It's become almost a negligible part of our business as part of the overall scheme of things. And, and I think currently unless we find any adjacencies in, in future mobility relating to our, what we're doing on the aero and defense side, we we don't we we don't intend to revive or grow for the, the legacy automotive business for for for reasons that we have again communicated previously. On CapEx, I think the question Mr Bagadia had was whether it's, we, we continue to remain or or in general, what are we doing with our cap are the funds that we have available with respect to CapEx with the respect to inorganic growth, and he he also had a question in terms of inorganic.Like, how we think about valuation in case of any M and A so again very I can answer any very broadly because unless we have any specific specific deal that we, we have to talk about, we, we can't really say much but but what I would say is that in terms of capacity and or in terms of CapEx, we continue to make balancing investments based on projects and customer requirements. I think but one of the things that we are we are slowly doing as Well is not just based on firm costs customer requirements anymore, but where we see, again, where we see a need based on, on what the customer either has communicated in terms of a, a future need or a pain point and and looking at the competitive situation. If we feel there's a, there's a An opportunity for us to be proactive and, and, and invest in a particular area. It's something that with with as may be relevant where either the management's approval or the board approval, we are going ahead and doing that. On in organic, I think it's something that we certainly are, are keeping our eyes. Be open on but I think as Mr Bagadia mentioned evaluation is is certainly something that has been an, has been an impediment, but may be you you also mentioned that it's something that some of the other listed companies in our space have have done in the last few years. So maybe we have to look, we have to, we have to may be discount valuation a bit to the extent that look at valuation and what is valuation the space and how does the Valuation of what we're looking at compared to that rather than looking at it in isolation, so that is maybe something that we we could consider, but on, on the question of inorganic, you also asked, would it be for capability or would it be for customers? So I think access to customers is something that we are quite comfortable with. So typically at least domestically we would not do an acquisition or do something inorganic for access to customers. It is something that potentially we could think about if we are looking at something outside of India for access to customers but but beyond that, I don't I don't think there's anything I can comment there, but in general inorganic, we would look at capabilities that is that is either adjacent to us complimentary to us or could help us ramp up an existing capability in a, in a, in a short space of time. So, so I think a summary of that is we're, we're quite open, but, but we're quite, we're quite selective in terms of ensuring that there Should be something that has a very good strategic long term fit.

So with that I think I have answered all of Mr. Mr Bagadia ‘s questions.

Next we have Mr. Himanshu Trivedi questions.

So the questions he asked was regarding our domestic market share.

So I think domestic market share in terms of the, the products that were active in, in some it is hundred percent. In some it maybe 20 %, so anywhere in that range really but obviously and and this goes to, to some extent to connecting where why as a company we have to some extent intentionally limited what we disclose is because in the areas where we have a, a very strong market position, we would like to keep it that way and and so providing, providing more discloser then what we do could put that at put could put that at risk. So I don't think we will, we will actively look to change that position from that perspective and hopefully that is something that is understood by by shareholders. However, one of the things that I would like to use this opportunity to to announce is that I know it's something that we have been talking about for many years and it's, it's a suggestion that has come from many shareholders over the years, is that we have finalized an investor relations firm that we are going to Go ahead and that is gonna go ahead and and manage our our investor relations going forward. It's, it's a very recent development so I will avoid giving any more information on that at this stage, but it's something that you, you will in the next In the next few months hear more about, because once they come in and and develop a plan and so on it does take time before we can actually put it out to, out to, out to shareholders, but it's something that we have we have finalized so so that is that is something that as a company we are, we are pleased to share with shareholders especially since that is something that a number of shareholders have suggested that we we take up. The other question from Mr. Trivedi was regarding order book, in how much of our order book is related to aerospace and defense. So as I mentioned earlier, now that automotive is pretty much negligible, predominantly all of our Order book is aerospace defense. And then when I say aerospace includes commercial or civil aerospace as well, as well as what we do in space. So on space as well, I think with, with the way the space sector in India is growing, we are continue to see opportunities there. Again, what, what kind of products or systems are we, are we participating? Just to give some color, it's it's a, it's it's really the same kinds of applications that we are doing on the side and to some extent even on the the defense side as maybe applicable to space, those are the ones that we are we are we are supplying similar Similar solutions for.

With that, I think I'll move into the questions from Mr. Ankit Zaveri and Mr. Ankit had provided quest a full list of questions by, by email as well. So I'll I'll go through those.

So I think the question that he asked on the call were, was similar to what is what is in the in the email question, so I'll I'll I'll go through those. The one is about the order book. I think order booked we've already answered. But, the his question was that whether the, the heightened demand environment post post post operations sindoor and the increase in the the defense budget, particularly as it relates to aircraft and narrow engines, how does that affect us? So as I mentioned earlier, these are all tailwinds for us as it is for the rest of the industry and and and so we are continue to see opportunities coming out of that, not just in the short term but in the medium to long term as well. Mr Zaveri‘s next question was regarding advanced payments falling from FY 25 to FY 26, and so whether this is a temporary drawdown as existing orders were executed or does it reflect a genuine slowdown in fresh order confirmations?

So the answer to that is that advances, again, it's not something that we get on all orders. Of course, we would like to get in on as many orders as possible, but the the decline that was seen from 25 to 26 was exactly what, what he assumed it maybe is a drawdown as some existing orders. I had advances were executed. In the current financial year we have, we have received some new orders that have advances associated with them. So in fact, the, the current position of advances held by the company is already at a higher level than what it was as of the end of FY 26.

Mr. Zaveri‘s next set of questions relate to Aerotek Sika Aviosystems in terms of its revenue dropping, what is its current operational status of the facility, some of the regulatory approvals, whether those have been secured, timelines for these approvals, and what is the next revenue milestone here? He also asked about our how our approval helps helps the facility. So I, what I would like to clarify is that as shared with the, the shareholders through communications to the stock exchange in 24-25,as well as subsequently in the last AGM that a strategic call was taken by the company to to to buy out the shareholding in Aerotek Sika Aviosystems that was not held by by sika and so now as of March 2025. 100 % of the shareholding of Aerotek Sika is held by sika interplant . So the transactions and the revenue drop that you see from FY 25 to FY 26 is a result of that, of that corporate action in that whatever so so the man as a, as a company, we felt that. It had reached a point where there was NO value of having this business being done separately in a separate subsidiary because as I described earlier in general, the nature of our business is such that the the amount of regulatory approvals and so on that we need to get Can be quite arduous. So now to, to maintain two companies with the same kinds of approvals felt very duplicative and unnecessary.

So, the call was taken to effectively consolidate that business into sika interplant itself And as a result, now the the business is being operated are done out of sika interplant and not Aerotek Sika and hence the fall in revenue. So in terms of the approvals and so on that that he was asking about, those approvals are either already with Sika or are in process at Sika rather than at the Aerotek sika level.

I think there's other questions about domestic landing here opportunities. Those are, those I already answered when I answered Mr. Bagadia. He's also asked are there any defense letters of intent currently in progress for Aerotek? That is not something that I can comment on specifically, whether for Aerotek offers sikka.

There's Mr. Zaveri the very next question is regarding that a new revenue line called aircraft parts appeared in FY 26 and certain questions around that. So what I can confirm is that that is not something that appeared for the 1st time in FY 26. We had it in FY 25 as well as our CFO has confirmed to me. So there's No change really there. You also asked whether the the figure or the numbers underlying this is attributable to the collins aerospace /goodridge MRO license for A323 -21 flight controls. And I can confirm that it's not as I mentioned earlier, this business, the the the facility establishment and and the associated training and so on is still in process as per the timeline that we had guided to in the last AGM and is is expected to take another year after which regulatory validation will be required. So, so revenue 1st revenue for that for that business line is still is still at more than a year away.

Mr. Zaveri, you also asked a question regarding our partnership with with radiant power Corp and I think that is similar to what Mr. Bagadia asked so that has already been answered. You also asked for the HaL MOU that has also been answered to Mr. Bagadia because your specific question on which HAL platforms are targeted and what is the revenue expected from this partnership is not something I can I'm I'm entitled to disclose.

Moving to your question regarding Forex and financial management. So on Forex you asked about, do SIKA's contracts include Forex pass through to protect margins and what is the quantified margin impact of this depreciation on profitability? So What, how I I would answer this by answering your 1st question to say yes on several of our contracts, particularly on the larger contracts, we we typically have, we typically have some mechanism within the contract to, to account for exchange rate variation, Being to the customer's account. So obviously in those cases we are we are we are hedged. In cases where it's not there, then, then of course there there can be some impact and particularly in a year like the one we've just been through where there was significant depreciation of the rupee, that naturally does have an impact on our, on our, on our overall financial performance, and that is something that is The I think the specifics are available in the balance sheet, but what I would, I would say is that we are it's, it's it's not something that we don't, we close our eyes and not think about when we, when we are costing projects and coating for projects. So we, we typically do take the cost of of of what a hedge would be or or what what what some kind of oh we can't we can't take the complete cost of hedging, but some kind of structured hedging cost is accounted in our costing and then we take a call whether we want to actually do the hedge or we feel that the costs that we've accounted in our, in our, in our costing covers is, is sufficient to cover what maybe the potential depreciation. So, so the number that's given obviously in the balance sheet is the accounting calculation. It's not really reflective of, of we consider what we consider to be the business, the business calculation which would be a lower impact than what is in the, in the, the, the statutory accounting calculation.

Your question regarding the surplus fixed deposits and mutual funds on a zero debt balance sheet, then what is the board's plan for deploying this, whether into Aerotech, whether into new OEM partnerships or return to shareholders via a special dividend or buyback. So I don't think we have any intention of the at least for the latter of option in terms of a special division of buyback because we see opportunities in the in the medium to long term that we want to remain positioned for. So that is, that could be my way of new OEM partnerships which is a continuous process for us. It could also be in terms of any new capabilities that we Decide we want to proactively get into, as well as anything that we may, we may, we may decide to pursue on the in organic side.

Your next question related to, the, the note that the draft DAP 2026 is deemphasizing offsets in favor of direct indigenorization. And and so how this affects our commercial strategy in terms of evolving to cap capture direct indigenization was Is offset opportunity. So I think what's good for us is that as a company, since we are, we're not a manufacturing services company, we don't do job work, so offsets has has a result been a very small part of our overall business. So there's really that we don't really anticipate there to be much impact on us from the emphasis on offset, whereas in fact to us it's a positive that the emphasis will be on indigenorization as I mentioned in response to Mr. Bagadia earlier, that is something that that is a very key, a very key strategic focus for us is on indigenorization. Whether it is import substitution or for new technologies, new programs, and that and so so I think we are we are more than happy with this change in the DAP, in the draft propose in the draft DAP 2026.

On governance, you asked about Mr. Rajiv Sika about Mr. Rajiv Sika specifically in terms of his relationships in different areas, whether it is with customers, the MOD or whatever it is and and and transfer of that to the next generation of leadership. So, I think what and I'm speaking on his behalf, I think what he would be comfortable to say is that we are not, we, we don't operate in a way where anything is concentrated with any one person and we have a strong leadership team, some of who are, some of us who are present here today, as well as others who are not here in this room who are not part of today's AGM, who are involved at at different levels, whether it is on customer relations relationships, whether it is on the side of things. And so I don't think I don't think any trans, any such transfer of, of, of any of of this type is, is required. I don't know if you'd like to add anything.

Rajeev Sika (chairman):

Also like to add independent directors.

Kunal Sikka (MD):

Yeah, so I, I mean for me they're part part of who are in the room, I mean they're virtually in the room.

Rajeev Sikka (Chairman):

They are all well well experienced and qualified in that area and I think they're, they're the drawings of the industry. So I don't see the issue in that area.

Kunal Sikka (MD):

On the next point, I'm going to ask CFO to just comment on this because it's something regarding the other matters if you can just be saying that there's some things shown as some discrepancy between the C one and.

Mr. Satish K S (CFO)

Now regarding the financial clarity on the consolidated other matter. So the revenue of 2.53 crores is pertaining to the financial 24-25. The auditors reports also clearly says that, so he's not addressing the revenue of 2.53 crores for the financial 24-25, it's pertaining to the financial year 24-25. So you can see the other matters in the consolidated auditors report, so which I want to clarify here.

Kunal Sikka (MD):
Because to confirm that that figure is not the figure that is flagged is not is not is not pertinent to the current financial year, but it was there in the previous annual report.

Yeah, I think with that I've covered all of Mr. Zaveri's questions. The, the last set of questions that I have is from were emailed in the the she did not join on today's call from Madam Lataben Nareshkumar Jariwala

So, the 1st one is regarding Investor communication, in terms of, well, actually the 1st question is about the company's recent admission to trade on the NSE, like company secretary. We're not, we're not traded on the NSE. No, NO, we are traded in the NSE. NSE. Yeah.

Cs Suraj Kumar Sahu (Company secretary)

Since actually our sika shares trading is very good. So that's why actually with the special approval, without the company permission, NSE has given the permission to the investor that they can trade. So with the special circular, they have given it to the issued Recently I got to know this one and it is getting treated without our approval. And it is open for the investor.

Srimati Jariwala's next question was about investor communication and and what are what what is the board's roadmap for improving disclosures and establishing a dedicated IR program. So So as I mentioned a short while ago, that is, that is something that we have taken into account from, from a number of shareholders, not just in the last few months, but over the last few years. And, and we had, we had conveyed that we had noted that and we would, we would try to implement something at the appropriate time. So as I announced, we have Have finalized within with an IR firm and and and that is that will that that that work will start will will get going very, very soon, but before it it materializes into something that would be visible to shareholders will take will take a few months at least. So we ask for your patience until then, but But the the IR firm will, will develop a roadmap and a strategy for the company, and I think what would be important to caveat is that it's not that we will go overnight from doing from what we are doing currently to doing everything in terms of quarterly earnings calls and everything or and and investor presentation and all that. We will consider the size of the company and, and the, the, the, the bandwidth of, of, of the leadership team being, being, being occupied by growing the business, by growing the franchise that we will we will intentionally do it in a, in a phased or a gradual manner, in a calibrated manner that that will that will hopefully, be well received by the investor community, but also we can can align Well with with the with with with the with the growing constraints of, of the company. So Srimati Jariwala next question was regarding again the, the actuators A320 actuators tie up in terms of here the question was on units, very specifics in terms of unit economics, turnaround times.

An expected revenue realization per aircraft. So this is not something that I'm entitled to share, so unfortunately I cannot share it, and which quarter the revenue will formally reflect? Again, that's something that I just answered when I, when I responded to Mr Zaveri's questions.

MRO profit and margin sustainability as the revenue mix shifts more heavily towards the MRO business. What is the profile we are targeting? I think as I mentioned earlier, overall in terms of margins, we are happy with where we are in terms of balancing our needs to grow as well as our need to, to, to maintain margins at a, at a level that we are happy with. So the, the, the margin run rate that we've been seeing over the last few years, is, is, is the, is the range that we, we would like to continue to remain in and we anticipate to do so.

So the question, next question from from her related to UAV and drones in terms of are we currently generating commercial revenue from the segment and what does the order pipeline look like over the next 12 to 18 months, so without without talking about specific numbers, what I can say is that absolutely. There are so UAVs again is UAV is a very, very, very broad term. You have everything from something that can be made at home from a little do it to yourself kit to very large sophisticated platforms that aren't manned. So what I can say is that in in general our what the what we supply for UAVs is typically on the most sophisticated side of things. We are not on the commoditized or the low cost side of UAV, we are on on the most sophisticated and advanced technology side in terms of the solutions that we are providing for UAB platforms and and it's a, it's a, it's No doubt just like for a lot of our industry, it's a, it's a strong growth area for us. It's, it's contributing already in a material way to our, to our revenues and our our our performance, and we anticipate that with with Again, what we've been seeing in the world over the last few years, in terms of the proliferation of drones and again anti drone and so on, that this is likely to continue for the foreseeable future. Our next question was regarding motion control that is server integration, how, how much of our future growth is being tied to the motion control integrator for autonomous defense platforms and are we seeking exclusive integration licenses with, with other global OEM.

So we already have a very strong portfolio of technology technology partnerships in this area that has positioned us quite uniquely. And what I would say is that we are not tying our future growth to motion controlled integrators specifically, but it is again an important vertical. We see, we see the great potential on it again for the long medium to long term and not linked only to autonomous defense platforms, but in general across defense as well as aerospace, we have a number of different applications that, that we are contributing to as well as on the space side and and it's it's we we see continued growth in, on all of those fronts. On her her next question with regarding with regarding regard to competition in the wire harness space, and she she's named a couple of companies about them expand aggressively expanding their facilities. The Sika have near term CapEx plans to expand our own harness manufacturing footprint to defend and capture market share. So I think as we've intimated in previous communications during AGM and so on.

That for us, the business is more strategic than core, in that we we we've unlike a lot of the competition that has gone after volume at very low margins, we have focused on, very, the very low volume, higher margin business in this space. So we have we are very different from Most of the wire harness the industry on the defense and aerospace side in that regard, and we've got we intend to continue on that way because of our focus on where we want our margins to be. And so as a result, we don't, we don't necessarily see any, any significant CapEx on that front Unless there's some specific customer order that fits all these criteria that comes through.

Regarding capital allocation into adjacent markets is Srimati Jariwala's next question in terms of utilizing the cash position on our balance sheet to enter in Into adjacent sectors like data center infrastructure or semiconductors. So these are areas that we have, we have definitely given some thought to. And in some of these there could be potential opportunities, but again it needs to be at a level where we are comfortable with what, what is the margin profile short term as well as medium term.

So without going into the specifics of what areas these would be, it is something we are looking at, but I think I would caveat that by saying we're seeing probably equal equally good if not better opportunities on our, on our home front in terms of defense and aerospace. So, if we were to choose between the two, we would probably stay focused on our, on, on, on our opportunities on the defense and aerospace side unless something compelling that's a long term strategic fit comes up in another area, whether it whether the ones she's mentioned like data center infrastructure semiconductor. Even it could be in future mobility or or other such areas, as in when the opportunities present themselves.

The last question from Srimati Jariwala is about how does management define our core economic moat? Should investors value us primarily as a pure design-to-spec technology company, a high-precision manufacturing integrator, or a hybrid of both? So firstly I I I I can't really comment on how investors should value us. I providing I, I don't think I'm I'm qualified to provide to provide advice on on how valuation should be done. But what I can say is that we are definitely a hybrid of both and and we see ourselves continuing in that way going forward as well and and that comes back to the question that Mr. Bagadia had posed earlier on regarding our, our two is to one kind of ratio between build to print and built to spec. So the the manufacturing integrator comes in the build to print side and the design to spec comes on the build to spec side. So I think we we we definitely want to remain actively involved in both these areas and we're seeing, we're seeing opportunities, the the pipeline we're seeing have have have both of these very much a part part of them. So I think with that in in terms of the the specific questions that came up. Those have been addressed. I, I would also, I suppose just generally comment on a couple of questions that came in from shareholders who did not want to give specific questions for the AGM but just wanted some general board and management commentary on the medium term view point for the company. So I think what I would say on that front is that just like we have been saying over the last few years that the outlook remains positive. We have numerous tailwinds that are, that are supporting the business that are supporting the industry. So we expect the growth momentum to continue. And as I highlighted earlier in terms of bottom line, we definitely want an expect the the current margin profile to continue barring any unforeseen circumstances. And, and, and that again whether geopolitical events or government policy, those are all, those are all favorable factors that that that are helping our industry. Finally, I would just caveat it by saying that I mentioned the positives that come to us from the geopolitical situation.

Around the world and, and, and what, what that means for our industry. But there is also risk to the industry from that from an industrial standpoint is that there have, we have seen disruptions to the supply chain over the last, we saw it, we saw it 1st when, when, when the the Russia Ukraine conflict started to some extent we then we then So more of it when, when the situation in the Middle East in in Israel and Gaza started a few years ago. And then we've seen it in fact quite sharply again in the last, in the in the recent Middle East conflict. Apart from the actual physical armed conflicts, you also have, we have as part of geopolitics, the trade conflicts and and that is something that has gone, I think a bit under the radar in terms of the impact that it's had in terms of some of the largest the largest economies in the world, at at at urged with each other, there is collateral damage to supply chains as the result of that. And it's not affecting, as I said only sika as a company. It's, it's something that's affecting the industry in India as well as, as well as globally. And so I think that is that is probably the most important caveat or risk factor that I would like to highlight before signing off and handing it back over to the company secretary to take it forward. So with that, I'd just like to once again thank all the shareholders for for the the questions that they provided and their engagement with the company. And, and as I said with the with the with the roadmap that we're gonna develop in partnership With the IR form that we're bringing on board, we look forward to a deeper engagement to to take place in the in in hopefully in the, in the years to come. So with that, I'll hand it back over to Suraj.

Cs Suraj Kumar Sahu (Company Secretary)

So There being no other registered speaker shareholders, the Question-and-Answer session is now concluded.

Thank you to all the speaker shareholders for your thoughtful observations and questions. We trust that the responses provided have addressed the key points raised. We sincerely appreciate your continued engagement and support.

Further, I would like to extend my special thanks to Mr. Kunal Sikka, Managing Director & CEO of the Company, for addressing and clarifying all the queries raised by the Members with clarity and precision.

I now hand over the proceedings to the Chairman Sir.

Mr. Rajeev Sikka (Chairman)

Thank you Suraj. I'm very happy to see the participation.

Shareholders in the company while businesses over a period of time and cycles do face both opportunities and threats, but our I'm confident that our management team is de risking the company sufficiently and we are seeing a period of growth in front of us and profitable growth. The resolutions set forth in the notice shall be deemed to be passed today.

Subject to receipt of the requisite number of votes. I would also like to remind our members that the e voting facility on the CDSL platform remain open for 30 min after conclusion of the meeting.

So those who are not cast the vote, I request to do so. As informed earlier by a company secretary, the board has appointed Mrs. Gauri Balankhe, actually the company secretary scrutinizer would see the voting process and The company secretary will publish the results both with the stock exchange and on the website on conclusion of the voting. Again like to thank all the shareholders for attending the meeting. And, look forward to your continued participation and trust in the company. I would now like to close the meeting and all the very best. Thank you again. Thank you.

Thank you.

Cs Suraj Kumar Sahu (Company Secretary)

Thank you.

Disclaimer:

This transcript has been prepared based on the video recording of the proceedings and is intended to provide a general record of the discussions held during the meeting. While every effort has been made to ensure the accuracy and completeness of the transcript, inadvertent errors, omissions, or inaccuracies may occur due to transcription, automated voice recognition, audio quality, or other technical limitations. The transcript is provided for information purposes only and should not be construed as a verbatim or legally binding record of the proceedings.