

# DISA India Limited

## Transcript of 38<sup>th</sup> Annual General Meeting held on August 10, 2023

- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Good morning, ladies and gentlemen. On behalf of the Board of Directors of your Company, I, Deepa Hingorani, Chairperson, extend a warm welcome to all of you to this 38<sup>th</sup> Annual General Meeting of DISA India Limited. The Ministry of Corporate Affairs, MCA and SEBI have permitted the Companies to hold the AGM through video conferencing or other audio-visual means until September 30<sup>th</sup>, 2023. Accordingly, this 38<sup>th</sup> AGM of your company is being held through video conferencing in accordance with the circulars issued by MCA and SEBI. Participation of members through videoconferencing is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act 2013. I'm informed that the required quorum is present and therefore I call the meeting to order. In terms of the MCA and SEBI circulars, the requirement of dispatching the physical copies of the notice and Annual Report 2022-2023 for this AGM has been dispensed with. Hence, the notice of this meeting along with the Annual Report has been sent electronically to all the eligible members who have registered their email IDs. I therefore, ladies and gentlemen, with your permission, take the notice as read.
- Before starting the proceedings, I take this opportunity of announcing the names of my colleagues who are present through video conferencing in today's AGM. I'll request you kindly to raise your hand as your names are announced. First, Mr. Bhagya Chandra Rao - Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee, Mr. Anders Wilhjelm – Director, Ms. Ulla Tonnesen – Director, Mr. Michael Declan - Director and Mr. Lokesh Saxena - Managing Director. Alongside Mr. Amar Nath Mohanty – CFO and Ms. Shrithee MS - Company Secretary, Ms. Monisha Parekh, Partner of Deloitte Haskins and Sells - Statutory Auditors and Mr. Vijaykrishna K T - Secretarial Auditor and Scrutinizer for this Annual General Meeting are also present today.
- I'm sure that all of you have received the annual report and that you have studied the same. I will now request Ms. Shrithee MS - Company Secretary, to provide general instructions to the members regarding participation in this meeting. Over to you, Ms. Shrithee.
- **Ms. Shrithee MS – Company Secretary – DISA India Limited:**
- Thank you, madam. Good morning, dear members. The Company has enabled the members to participate at the 38<sup>th</sup> AGM through videoconference provided by CDSL in

compliance with applicable circulars issued by Ministry of Corporate Affairs and SEBI. Members have been provided with the facility to exercise the 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. Members may note that remote e-voting facility was made available from August 6, 2023 09:00 A.M to August 9, 2023 05:00 P.M. The members joining the meeting through VC who have not already casted the vote by means of remote e-voting, may cast their votes to remote e-voting facility provided at the AGM by CDSL. The company has appointed Mr. Vijaykrishna K T, practicing company secretary as a scrutinizer who will collate the voting results of the remote e-voting and e-voting at the AGM for each of the items as per the notice.

- Representation under Section 113 of the Companies Act, 2013 has been received from our promoters and few corporate shareholders. Members are requested to refer additional information provided in the notes to AGM notice. The Register of Directors and Key Managerial Personnel, the Register of Contracts Arrangements have been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send the request to investor mail ID. As the AGM is being held through videoconferencing, the facility for appointment of proxies by the members is not applicable and hence the proxy register is not available for inspection. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairperson opens the floor for questions and answers. Thank you very much.
- I hand over to the Chairperson to continue with the proceedings.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Thank you, Ms Shrithee. The Company has made all efforts feasible under the circumstances to enable the members to participate and vote on the items being considered at this meeting. As there are no qualifications in the Independent Auditor’s Report on the Financial Statements of the Company for the Financial Year 2022-2023 and in the Secretarial Audit Report, with the consent of the members, I will take them as read. I now request Mr. Lokesh Saxena, Managing Director of the Company to highlight on the operations of the Company for the year 2022-2023.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Thank you Chairperson. Good morning to all of you. I welcome you all once again and what I will do now is to give you a brief presentation on the operational highlights of the company which will be of interest to you as shareholders.
- Have completely minimized as a part of the operations and DIL is again on a growth path once again. There have been major initiatives which have been taken in the year

Financial Year 2022-2023 in respect of plant consolidation and expansion, exports, digital business and sustainability. Exports have been one of the major areas of focus for us and it has culminated into a lot of good business from different countries. I'll take it up more in the next slide on that. People safety and health drive has always been the priority number one for us and this year has been no exception with no incidents in the Financial Year 2022-23. Aftermarket continue to make new advances in expanding network and customer initiatives. Market capitalization is at all time high and as a company when we look into the development.

- It will be my pleasure to give you some glimpse of the new facility, what we have now at Tumkur. This expansion has been made in the last one year. You can see on the left hand side the full plant view from above and the other facilities. Overall, it has been close to about 30,000 sq. m. of additional construction which has happened in this facility. There is a new office building, there is a new canteen, we have added manufacturing spaces for our Wheelabrator business and filter business and also we have expanded Additional manufacturing space for DISA.
- So I'm pleased to inform you all that we have been exporting from this facility for quite some time. And, if you see the flags of the countries where we are exporting, there is close to more than 30 countries where we are exporting at least one equipment from the facility which we have just shown you here. These equipments are moulding machines, sand plant, shot blasting or the balance of plant equipment like AMH and others. And, just to highlight here that Norican group has played a major role in helping us to expand to these markets and do businesses from DIL across the whole world. Full Foundry in line of Flex 70 along with ARPA, Sand plant, Shot Blasting, Filters. Approx 22'000 Sq mtrs, State of art complete foundry by Norican in Middle East. This new foundry in Doha, Qatar does business in the country but also doing a lot of exports from there to various parts of the world. So we are very happy to share this new development of new foundry execution at Qatar.
- Last but not the least, your company has done excellent work around the CSR initiatives. The model what we have been following on the CSR is Education to promote STEM and Sustainability Environmental Impact is the CSR program from DIL. We have also initiated Jan Johansen DISAMATIC scholarships at National Institute of Advanced Manufacturing Technology in Ranchi which we are continuing to award a scholarship to the engineering students. And also as a part of our environmental impact and sustainability initiative, we are going to plant 5000 trees over a period of 5 years' time. The initiation of that has happened by planting thousand saplings at NTI Cooperative Society close to Hebbal in Bangalore. Our overall spend over the last 7 years since the inception of the CSR from DIL is close to 51 million, 50.9 million to be exact, and we have almost like 3300 plus beneficiaries out of the CSR initiative of DIL.
- With this I end my presentation and hand over to the chairperson once again. Thank you.

- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Thank you Lokesh for these operational insights and also glimpse of what the company is doing on the sustainability front. Unfortunately, the sound quality was intermittently, a little not so good but your slides were very illustrative and gave a good gist of what you were saying.
- We will now resume the proceedings. With the consent of the members, I hereby read out all the resolutions which are stated in the notice of the AGM. There are seven items of business, four are items of ordinary business and three are special business. I'll take the ordinary business items first.
  - The first one is to receive, consider and adopt the Audited Financial Statements including the Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023, together with the reports of the Board of Directors and the Auditors thereon.
  - Number two is to confirm the payment of interim dividend of Rs. 100, equivalent to 1000%, and to declare final dividend of Rs.10, equivalent to 100%, per equity share of Rs. 10 each for the Financial Year ended 31<sup>st</sup> March 2023.
  - The third item is to appoint a Director in place of Mr. Anders Wilhjelms, DIN – 08507772, who retires by rotation at this AGM and being eligible, offers himself for reappointment.
  - Number four is to appoint the Statutory Auditors of the Company.
- I move over to the special business items now where,
  - first item is to ratify the remuneration of cost auditors.
  - The second item is to reappoint Mr. Lokesh Saxena, holding DIN – 07823712, as Managing Director of the Company.
  - And the third item is to approve material related party transactions for three years from FY23-24 to Financial Year 2025-2026 with DISA Industries A/S Denmark.
- The texts of the proposed resolutions along with explanatory statement are provided in the notice circulated to the members. The members who are yet to cast their votes may vote on the above resolutions through the e-voting facility at the end of the meeting.
- Since this AGM is being held through videoconferencing, we had requested the members to register themselves as speakers in advance. So before proceeding for the e-voting on the resolutions, I invite those members to offer comments and seek

clarifications, if any, on the Audited Financial Statements and resolutions contained in the Notice. In the interest of time, I will request the speakers to be brief and avoid repeating the questions and comments that have been made by the earlier speakers. Also, request if each speaker can speak for a maximum of three minutes. Members are requested to mention their name and their Folio ID or client ID before asking their questions and again, in the interest of time, we will give a consolidated reply at the end of the questions.

- I'll now request the moderator to unmute the speakers in the speaking order assigned.
- **Moderator:**
- Thank you ma'am. The first in the list is Mr. Govardhan. Mr. Govardhan, kindly unmute and go ahead, please.
- **Mr. Govardhan Maheshwari – Shareholder:**
- Thank you for the opportunity. First of all, as you mentioned that I need to give my client ID. So, my client ID is 12033910000027983. So, just one thing is that the tone of the annual report is very impressive. I have sent my list of questions which the management can answer at the end. Lokesh sir, I may just request you to please repeat two slides, at least the two slides. One is the Qatar one, because we could not hear anything what you mentioned in that slide because we lost the audio connection. Secondly is also in terms of the first slide which is in terms of how you are building up the business, especially in terms of the initiatives which you have taken, I think we've lost them again, on exports, digitalization and on consolidation of the facilities. So I would request, if you can speak again.
- And lastly is that, we have seen that a lot of your peer companies in the industrial in the Cap goods space in the last 2 years in particular have reported very strong numbers, while our numbers have not been that encouraging despite being in the right place where our revenue growth was 2% last year in FY23 and we had a profit decline. So, could you just give us sort of a broader overview for the next three or four years that how you are building the business and how should that convert into sales growth and profit growth in the next few years for shareholders? And I would request you to please repeat a part of your presentation which got missed out because of poor connection. Thank you.
- **Moderator:**
- Thank you very much. The next in the list is Mr. Rohit. Mr. Rohit, kindly unmute and go ahead, please.
- **Mr. Rohit – Shareholder:**

- Good morning everybody and thank you for this opportunity. So sir, my DP ID/ client ID is 1203230002067015. I have also sent my question sir, and first of all, I would say congratulations on a very strong Quarter 1 to the team. Sir, my request would be I have also sent my questions if you can just answer them in a point-by-point manner. This is our only chance to speak to you, to the team. So, I would really request if you kindly do not miss any questions and answer them in detailed manner.
- My one request was, I think it was also discussed in the last AGM, you had mentioned that we will do an investor day plant visit, analyst day kind of a thing once the new plant is commissioned. So, if you can sort of look at it and get this organized. I have already sent my questions so I won't waste my time. Please answer them, sir. Thank you very much and all the very best.
- **Moderator:**
- Thank you Mr. Rohit. Next in the list is Nikhil Upadhyay. Mr. Nikhil, kindly mute and go ahead, please.
- **Mr. Nikhil Upadhyay – Shareholder:**
- Thank you for the opportunity. Just one of the previous speakers had reiterated, we missed a large part of your speech. So, I don't know if you could reiterate. But if you could just publish that, that will be helpful apart from reiterating the part of the missing speech. I have also sent in my list of questions. In the interest of time, I'll not repeat them. I'll appreciate if you could answer those questions one by one. Thank you.
- **Moderator:**
- Thank you Mr. Nikhil. The next is Mr. Jaideep. Mr. Jaideep, kindly unmute and go ahead, please.
- **Mr. Jaideep Merchant – Shareholder:**
- I have sent my list of questions. I request Mr. Saxena to please answer all of them, there are ten questions. And, I request the company to be little more communicative in the middle of the year. We are on the same side, we are all stakeholders and maybe a quarterly press release or a half yearly press release will help to understand what is happening during the year. But please answer all the questions. Thank you.
- **Moderator:**
- Thank you Mr. Jaideep. Next is Mr. Mahesh Bendre. Mr. Mahesh, kindly unmute and go ahead, please.
- **Mr. Mahesh Bendre – Shareholder:**

- Thank you so much for opportunity, sir. I have few questions. First is that I just want to understand the outlook for the user industry going forward. In the annual report you mentioned that India produces approximately 12.5 million ton of casting and we are second largest player in India. So, now there are two types of markets we are talking about, domestic and export side. Domestically, we know that there are huge investments coming up in ATO and manufacturing which are the largest user industry for us. And on export side, we have also clearly mentioned in the annual report that India has an inherent advantage in export market and even China Plus One policy is also benefiting us. So in this context, both domestic and export market, how the casting industry is faired and how we are going to benefit out of it? Second is the consolidation of Tumkur manufacturing facility into world class manufacturing hub. So, if you could just explain what exactly this means and how this could be used for the global opportunities.
- Sir third is, the export potential. We have written extensively in the annual report about the export potential for domestic entity. Last year export was around 19% of our sales. So given the impetus on the international business, will this number go significantly higher over next 3 years? If you could explain that will be good for us. Sir fourth is that, in the foundry industry nothing has happened in last 10 years in India, at least on foundering industry. We have seen single digit growth for the last 10 to 12 years. Now domestic and export industries are coming up. So, you might see a growth from the new foundries. But even the existing foundries are being upgraded both on technological and scale size. So, how that will benefit us? Will we play a role in that particular opportunity?
- Next question is about any new products or services we plan to launch in India for the foundry industry. And last is the capital expenditure plan for next two years. That's all. Thank you so much sir.
- **Moderator:**
- Thank you Mr. Mahesh. Next in the list is Aspi Behsania. Kindly unmute and go ahead, please.
- **Mr. Aspi Behsania – Shareholder:**
- Sir, I am Aspi from Bombay. Thanks for holding a meeting online. Sir, next year when the physical meetings start, please continue with hybrid meetings so that we can also attend from Bombay. Sir, our year-on-year revenue was flat but profit before tax reduced from Rs. 52 to Rs. 40 crore. Sir, even our Q4 revenue increased year-on-year but PBT reduced. Any reason? And how do you see full year 2023-2024? Sir, revenue was Rs. 272 crores. When can I expect Rs. 500 crore revenue? Sir, cash flow for the year was much better for which I congratulate the management.

- Sir, the company secretary should be more shareholder friendly. I sent an email to send somebody's phone number, no response. Then I got some Mahesh Bhendra's cell number and the person never answered the phone. Sir, please ensure that somebody's phone number should be with us so that we can contact in case of any problem while attending the meeting. And next year, please continue with hybrid meetings. I would also like to be invited for the investors' day. Sir, then please send Chairman's speech on email or on WhatsApp so that I can also read because it was not clear. Sir, I would once again request the company secretary to be more friendly with the shareholders. Thank you very much and all the best for the future.
- **Moderator:**
- Thank you all. We are done with the list, ma'am. Please go ahead with the proceedings.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Thank you all for some very good questions and apologies from our side that the presentation from Lokesh Saxena you missed the audio on a couple of slides. I'll hand over now to the company's management team to reply to the queries that have been raised by members.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Thank you, Chairperson. I think since a lot of shareholders have missed or maybe have not been able to hear me, I would like to just go back to one or two slides which I presented especially on the foundry in Qatar. Am I audible clearly?
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Yes, we hear you now, Lokesh I think you could take this one and then also Slide Number 2, please.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Slide Number 2? Okay, I'll start from there. I said in my earlier presentation that we have minimized impact of COVID on company operations, we are again on the growth path. We have undertaken major initiatives during the year on consolidation of the plant and expansion, exports, digital business and sustainability. Export has been a key focus area for us, which has helped us to receive orders from new countries in the region like CIS and Turkey. People safety and health has been at the core of our drive for our employees and that has remained a top priority with no incidences in FY22-23. Our aftermarket has continued to make new advances in terms of expanding the network as well as in terms of customer initiatives. And market capitalization is at all time high.



- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- We seem to have lost you again at the company' end.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Can you hear me now?
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Yes, you are back. Yes.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Okay. So, the new consolidation of the plant at Tumkur is an expansion of about 30K square meters of space with a new office building and new manufacturing areas done for both Wheelabrator business, Filter business and an expansion on the DISA business. This plant is now a worldclass facility and one of the questions which came in on the visit to this plant, we will definitely do it before the end of FY23-24 because you will be proud to see what we have done.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Okay. We seem to have lost you again.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Molding machine or a sand plant, Shot blasting machine or the balance of plant equipment, I would like to place on record thanks to the Norican Group who has played a major role in helping us to expand to these markets and do business from DIL across the whole world.
- Am I audible?
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Yes. Yes, please go ahead.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Am I audible, Deepa?
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**

- Yes, we hear you. Can you hear us? Maybe not. Let's give you a moment. We hear you now, please go ahead. Lokesh and Amar, do you hear us now?
- **Moderator:**
- Conference room, can you hear us now?
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Can you hear us better?
- **Moderator:**
- Yeah-yeah, better now.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Yes. Yes. Just a suggestion, Lokesh, it seems like you have a bandwidth issue. Since the slide has been seen by everyone, perhaps do it without the screensharing. I don't know if it helps. It might.
- **Moderator:**
- Sir, you can stop sharing. Actually, that is consuming more bandwidth. So, I think, it will be audible.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Yeah, that's what I...Correct.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- So, I'll in the interest of...Can you hear me now? In the interest of time, I maybe stop to share the PPT.
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- Do you hear us Lokesh? Do you hear us?
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- That may give us some better bandwidth; that case. Are we audible now?

- **Moderator:**
- Yes, Sir.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Atul?
- **Moderator:**
- Yes-yes, we can hear you. But, I think, you are not getting our audio.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- I think in the interest of time can I go to the questions and start to answer without sharing the PPT?
- **Moderator:**
- Yes, please Sir. Go ahead, Sir. We can hear you.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Am I audible now?
- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**
- We can hear you but it looks like you cannot hear us.
- **Moderator:**
- Srikanth, can hear us, Sir? Can you call Sir and just tell him to go ahead? We can hear him.
- **Mr. Srikanth Reddy – CDSL:**
- Yeah.
- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**
- Okay. Okay. In the interest of time, what I will do is I will get into the Q&A. So, thank you very much to all the shareholders for asking questions to us and sending them in

advance as well. What I have tried to do is to domain those questions into 8-10 specific brackets. I'll start my answer to the shareholders from the external environment perspective and then go on with each and every bracket.

- So, on the external environment side, on the macro macroeconomic environment, the GDP estimates are positive; anything between 6.2%-6.5% for the country. Inflation has been in control over the last few months. It's favorable. The PMI has been favorable at almost 57-58 points. The business confidence also has been better and so the external environment in which we are operating what does it mean is, is favorable for us as we go in the year '23-'24. What is challenging in external environment is, kind of a not so good things happening across the global level in terms of the recession, maybe the war in Europe and so on and so forth. So, that is the environment in which we are operating today.
- Coming more specifically to the share of businesses. Within our own verticals, DISA hold about 45% of our business. Wheelabrator 12%, Filters 14% and Aftermarket at 29%. And Aftermarket business has consistently grown over the last few years, as well as the OEM part of our business.
- There have been questions around the Tumkur expansion. I tried to explain that in one of the slides but more detail now. So, the new build up facility has been additional 30K square meter space what we have done. This is done to keep in mind with the objective of creating a combined knowledge and skill and experience in one location. So, this is one of the sites across the Group, which is hosting brands like DISA, Wheelabrator and Filter in one place and also another element which we went into when we got into the consolidation part was to create a more outsourcing initiative. Apart from just moving the operations from X place to Y place, what we have also done is to look at more outsourcing opportunities and I'm proud to say that Filters have been almost outsourced at the level of around 80%. One more objective of this expansion, is to manufacture goods worth ₹150 crores from the same facility but with smart outsourcing initiative and that's what we are trying to do.
- On the side of exports business, as you know that DIL ventured into India, Middle East and Africa as a more formal region of what we are catering for the Norican Group now. There have been export opportunities in terms of direct customers in the Middle East, especially in Qatar and other areas like Saudi Arabia. Apart from that, the Group also give us opportunity to work in CIS countries and Turkey and Brazil. Our exports last year has been close to 500 million, which is a good expansion from where we started off and where we are today and it's consistently growing. It is difficult to assess, you know, to spell out a number to say that what export numbers we are going to do in the next 3-4 years but what I can assure the shareholders is that the direction which we have taken is only going to help us to grow this business further on the export side.

- Naturally, there's a question around what kind of profitability we see on the export. The export businesses has increased better profit. Do that business by importing these machines from our manufacturing site from Italy. But if you look at the volume market in the Aluminum part of the business, the volume market is in the machines which are less than 1000 tons and we have started to explore that opportunity with us. We have still not been able to conclude because the market is really cluttered in that area and hopefully we'll be able to arrive at some conclusions as to what do we do in this market. There's a demand but the volume is the name of the game there and we have a lot of Chinese and Taiwanese players who are playing strong in that market.
- The last entrance to adoption of digitization initiatives, not only locally but also globally. So, what we are seeing is the adoption is happening and we are working with some of the large foundry customers in India to create digitization initiatives and to do the full digitization. There are two kinds of offer in the market, one is to digitize the machine and then second is to digitize the full plant which is end to end and we are playing in both the spaces. The digitization of machine produces an opportunity for us which is like standalone digital sales. What does it mean to the customer? I mean, when they digitize the foundry and when they interact with us, we are able to give them a solutions around the scrap reduction, around better productivity, increase efficiency and reduction in the unplanned downtime. So, these are some of the benefits which the customers get if they work on digital initiatives with us.
- One question was around the revenue model on the digital. So, the revenue model on the digital is very simple. I mean, there's an equipment installation and then there is a subscription. So, both the things we are selling in the Indian market and we are getting good, encouraging response from the customers. Lots of foundry, not only doing business in India but also setting up a lot of, you know, plants across the whole world. We have seen some of the customers setting a plant in Oman, others have interest to set up either in Europe or even in U.S. All these customers, we work very closely and are able to help them not only to supply the equipment but to formalize their strategy as to how do they work around the whole market because we have a global footprint and we have a lot of knowledge around these industries across the globe, which we share with these customers.
- I would say the Indian foundry industry has gained moment and a lot of these ambition of export and the kind of customers they are serving now at the global level, they are asking for worldclass equipment and that's where the advantage for us is. We are clearly the market leaders in vertical technology. I mean, there is nobody who can produce vertical technology other than DISA and we are also making inroads in the horizontal lines, which is called the Flex, which we are producing here not only for the India market but also for some part of the global markets as well. We are holding our position as the highest share in the industry. Out of every 10 foundries which are made in India, we are making at least 6.5 to 7 foundries, I mean if we can put that number to.

- The competitive landscape, yes, the competition is there. But I think we are far ahead of the competition when it comes to the kind of technology, what we provide, the kind of engineering interface what we can do and the kind of project management we can run. So, we are much, much ahead when it comes to the competitive landscape.
- There's a question on the order book and as well as on the cyclicalities in the business. I think if you have seen over the last four or five years, we have tried to, I would say, flatten the cyclicalities of the business but our business is not away from cyclicalities also. What we try to do is to see that, you know, some projects sometimes they fall in some quarters and we can't do anything much about it but we try to see that as much as we can we deliver quarter on quarter basis with some exceptions in some of the quarters. One of the exceptions was the last quarter of this year, which was January to March quarter of FY2022-23.
- On the order side, we just concluded our Board meeting before the AGM and we can say that our order position at the end of June or the start of 1<sup>st</sup> of July is very, very strong. We are sitting on an order backlog of close to 2500 million, which is a very, very encouraging number despite a very high growth what we are seeing in the first two quarters of this year. Accordingly, we have passed on the benefit of all of this as a part of the dividend. The proposal of the dividend now which we are going to board is on 100% final dividend but we've already given interim dividend of almost 1000% to you, making it more than 1000% dividend for the consecutive two years. Last year it was 1600% dividend, this year we are giving 1100% dividend. Our payment ratio for the last two years is on the average of around 62% to 58% on this.
- One thing which I would like to assure you is that we are seeing the year not with very encouraging numbers but there are three important elements in that. One is the consolidation of the two plants have built-in some cost, which was a part of the operational cost in this business, which is a onetime activity which will not be there in year '23-'24. Second thing that we have to also understand when we go out and export, we have to make a lot of investments in terms of travels and going to customers and making our people visible in those markets. So, that is another cost which has got quite a lot in the last year for development of the of the business as exports, which is continuous but I would say that's an investment from the company and we are conscious that we are going to invest that money in the business because that's ultimately better for us in the long term. The third thing is, there was one of the major businesses like the Qatar business which we did not have this year in that financial year, which has, you know, lowered a bit of our profits but then we are back on track when it comes to the first quarter of this financial year. So, primarily I would say that 60%-65% of the cost which got additionally build was a onetime cost which you will not see in the year '23-'24 and we are going to see a lot of better profits as it comes to '23 and '24.
- On the long term horizon, I think, your company is going to definitely grow for 2-3 reasons. One is the domestic market will grow and we are seeing a lot of support

coming from Norican Group when it comes to export initiatives from this plant. So, the growth is imminent. It's going to be difficult to say at this moment that whether it is 20%, 30% or 10% but I would like to say that we will definitely beat the GDP growth of the country and we make sure that we do this activity since the plant is now fully operational, the new plant. So, I'll request my Company Secretary to, you know, get on with this and maybe invite the interested investors to come to the plant and have a visibility on that.

- So, this is it from my side. Thank you. Thank you very much for listening to me and very, very regretfully saying that the connectivity has been a challenge. Hopefully, we will have a more, you know, one on one meeting maybe in the next AGM. So, thank you very much. I hand it over to our Chairperson back.

- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**

- Thank you, Lokesh. And, yes, fortunately for the last part of your presentation, a major last part of the presentation, you came across very clearly but just for the interest of everyone, few sentences that you were saying about growth, they got missed out. And I guess people would be interested to hear about that. So, if you could kindly just repeat the part about the growth expectations, please.

- **Mr. Lokesh Saxena – Managing Director, DISA India Limited:**

- Okay. So, on the growth side what I said is that, your company is definitely going to grow the business, not only in the domestic space but also in the in the export space. And we also acknowledge the fact that Norican Group is helping us out a lot when it comes to going to the export markets and that will continue for us.

- **Ms. Deepa Hingorani – Chairperson, DISA India Limited:**

- So, I believe the key message on growth was delivered by Lokesh and could be heard by all of us. Unfortunately, the connectivity is not optimum at their end, so we should proceed with the balance of the meeting. Once again thank you, Lokesh. I will then ask now members who are yet to vote, requesting them to cast their vote using the E-voting facility of CDSL. The E-voting facility will be available for 30 more minutes from the conclusion of this AGM and the results of the remote E-voting and E-voting during the AGM will be declared on receipt of the scrutinizer's report and placed on the company's website and sent to the stock exchange within two working days from the conclusion of the AGM today.
- I will then, on behalf of the Board of Directors, thank you all for participating in the meeting today and hereby declare the proceedings as closed. Thank you very much and see you next year.

***END OF TRANSCRIPT***