

October 22, 2021

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

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

Dear Sir,

Sub.: Transcript of 31st Annual General Meeting of AXISCADES Technologies Limited

Please find enclosed the transcript of 31st Annual General Meeting of the Company held on Tuesday, 28th September 2021 at 4:00 pm. This will also be available on the Company's website <https://www.axiscades.com/investor-relations.html>

This is for your information and records.

Yours truly,

For **AXISCADES Technologies Limited**

Shweta
Agrawal

Digitally signed by
Shweta Agrawal
Date: 2021.10.22
12:47:30 +05'30'

Shweta Agrawal

Company Secretary

AXISCADES Technologies Limited

AGM TRANSCRIPT - AXISCADES TECHNOLOGIES LTD

Moderator: Yeah, Shweta ma'am, you can start.

Ms Shweta: Yes. So, Good evening ladies and gentlemen. I, Shweta Agarwal, Company Secretary have a great pleasure in welcoming you to the 31st Annual General Meeting of the Company being held electronically for the second time, through videoconferencing mode in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I hope you and your family members are safe and in good health. Before we start with the main proceedings of the meeting, I want to introduce the Directors and the Key Management Personnel on the Board of the Company who have joined this meeting through video conferencing.

- We have with us Mr. David Bradley, Chairman and Non-Executive Director
- Mr. Sudhakar Gande, Non-Executive Director
- Mr. David Walker, Non-Executive Director
- Mr. Desh Raj Dogra, our Independent Director and Chairman of the Audit Committee and Stakeholders Relationship Committee.
- Mr. Dhiraj Mathur, unfortunately he met with an accident yesterday, but he's joining from the hospital. He's our Independent Director.
- Mrs. Mariam Mathew, our Independent Director and Chairman or Chairperson of the Nomination and Remuneration Committee.
- Mr. Sharadhi Babu, our Chief Executive Officer and Executive Director.
- We also have with us Mr. Sunil Gaggar and Mr. Pradeep Agarwal, representing S R Batliboi & Company, the Statutory Auditors
- And Mr. Anant Khamankar from Anant Khamankar & Company, Secretarial Auditors who have joined this meeting through video conferencing. We have the requisite quorum present through video conferencing, to conduct the proceedings of this meeting. Participation of members through VC is being reckoned for the purpose of quorum as per the MCA circular and section 103 of the Companies Act. The quorum being present, I call this meeting to order.

As the members are aware that this AGM is being conducted through VC in compliance with the applicable regulations and the circulars, the company has taken all feasible steps to ensure that the shareholders are provided with an opportunity to participate and vote hereat. The soft copy of the Annual Report has been sent to all the members holding shares in the demat mode and whose email ids were registered and are available with the depository participant as well as to all the members holding share in physical mode, whose email addresses are registered with the RTA or the Company for communication purposes.

As mentioned in the Notice convening the meeting, since the meeting is being held electronically, the proxy related procedures have been dispensed and hence the proxy register is not available for inspection. The Company has received requests from few members to register them as the 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 floor is open for the questions and answers. Members are requested to refer to the instructions provided in the Notice for appearing on the VC page or else they reach out to the

helpline numbers given the Notice. The Company has provided the facility to cast the votes electronically on all the resolutions given in the Notice during the period 25 September 21 till 27 September. Voting will be in proportion to the shares held by the members as on the cutoff date, this being 21 September 21, in our case.

Members who did not or could not avail the remote E voting facility and who are participating in this meeting will have an opportunity to cast their votes electronically during the AGM on all the proposed resolutions through KFin's Instapoll mechanism. The Instapoll facility will be activated at the end of the meeting. Once the opening of E voting is announced, members can click on the vote tab on the video conferencing screen to avail the feature. Members may please note that there will be no voting by show of hands. Now, I would request our Chairman to deliver his message to the shareholders. Over to you Mr. Bradley.

Mr. Bradley: Thank you very much for the introduction and Good evening everyone and thank you for attending this virtual AGM. I'm not proposing to repeat what I've written in the Annual Report, but I just like to highlight some key points.

Firstly, no one saw what we'd all experienced over the previous 18 months, it's been devastating for both individuals and for companies alike. And I send my condolences to anyone who has lost loved ones during this time. All I believe can be expected of us is to react. And in that respect, I'm proud of what the Company has done over this difficult period of time. Management team with the support of your Board has managed the fundamentals well, resulting in excellent cash management, clients and capability retention and the improvement in operational performance. Your company did experience loss of turnover due to many industrial sectors almost closing down during 2020 due to the pandemic. The Management retained their position and they're now seeing rebounds in key sectors of aerospace, defence and heavy engineering. Key customers are returning to growth and new clients have been added to this portfolio. So this is, in my opinion, a great achievement and I'm really proud of what the management team has done. The fundamentals are right. And with the support of the enhanced Board with the new Directors that have joined, I believe we have both the drive and the governance to give the Company the best opportunity for enhancing future performance.

I'm pleased to be your Chairman and it is my desire to continue to work with the Management team and take AXISCADES to the next level. That's really all I have to say for my opening address. Apart from noting the fact that two of our key members of staff will be leaving the Company, the CFO and the Company Secretary, both of whom have given extraordinary performance over many years to the Company. And they leave their respective functions in good shape and at a time, which is important, when the Company can manage the transition without drama. So, thank you for your attention, your continued patience with the evolution of AXISCADES. And I'd now like to ask our CEO to give you a short business overview. Thank you very much.

Ms. Shweta: Thank you, David. Sharadhi, our CEO, will be presenting a brief presentation on the Company. Over to you Sharadhi.

Mr. Sharadhi: Thank you Shweta. I hope I'm audible. Good evening, everyone. First of all, I deeply welcome you all for this AGM. And I'm very glad to present you the business update and also the performance highlights of the Company for the financial year, FY 21 and also our focus and strategy for this financial year. May I request the moderator to present the slides please.

Moderator: Sir, just give us one minute. Thank you.

Mr. Sharadhi: Thank you. Ladies and gentlemen. Now I will take you through the performance of the Company during the financial year. Can you go to the next slide please?

First of all, as you're all aware, and our Chairman mentioned, covid had a very deep impact on the business and specifically Aerospace sector in which we operate in. Despite the revenue decline of 22%, mainly due to covid19 induced contraction and also due to lockdowns announced by the Governments; but still, we did do a good job and also we are seeing a good recovery of the business. Despite the revenue decline, we have maintained the EBITDA levels at 14.6% mainly due to very enhanced operational efficiency and several cost rationalisation measures that were undertaken during the year. And we had a closing cash and cash equivalents which stands at about 84.8 crores which is almost the highest in the last many years, almost nine years. The net cash generation from the operations grew 88% to 120 crores. And also, we have reduced the debt of the Company by almost 71.6 crores. Now, the debt stands at 72.8 in Indian rupees

I'd also give you the business highlights of the Company during the financial year. In spite of the pandemic situation, we added seven new customers, mainly in the heavy engineering and automotive domains. And also, we launched three new products from our digital and healthcare laboratory. And also, we have been seeing a good recovery and a strong traction in different verticals and we have geared up ourselves to capture the business in these verticals, mainly in aerospace and heavy engineering.

Going to sector wise. The segment revenue in heavy engineering declined about 14% year on year. Again, mainly due to covid 19 impact which it contributes over 42% of the revenue. Aerospace declined in the revenue. And from 31% in the previous year, now the contribution is about 23% for the financial year. And strategic technology solutions, the Defence sector is certainly stable and there was a very minor decline in the revenue. However, it was mainly due to supply chain disruption. So, the revenue is intact, and we secured several new orders. Please move on to the next slide.

After the performance highlights, I would like to give you some detail about the covid impact and response of your Company.

First of all, there was a down in the business, Aerospace and Automotive verticals were heavily impacted. We have actively managed the cost base, with a blend of optimization of both human resources and also the infrastructure, which we did very effectively. And also, we had to build and also align our product and services portfolio to suit the current context of the covid impact and also help our clients succeed during this challenging times. And we did see an increased focus and of course we did align to the automation and digital engineering needs of the market. And this need came from almost all the domains that we address. And we strengthened our defence and homeland security portfolio and its presence and launched onto the

Make in India initiatives and Atma Nirbhar initiatives along with global partnerships. And also, we capitalised on certain opportunities arising out of covid mainly in healthcare and medical domains and also in transportation domains. And we also expanded the global local footprint. Post covid scenario, the situation has been different, and we did address that quite effectively. Moving on to the next slide.

I'd like to give you the current status of business and the focus for this financial year.

Number one. Aerospace sector is seeing a good recovery. Growth is visible in the last three quarters, the Q4 and Q1 and Q2 and we have added global clients, with high growth potential we have added two clients in this sector. There is also a good traction in the Defence. Defence sector, the business is moving quickly, the bids are moving faster, and we have a good progress on certain large deals. And also, we are participating in the supply of anti-drone systems, which is good news for us. Also, there is a growth in digital business, both in our existing clients and certain new clients across verticals. And we are expanding our global footprint on heavy engineering with new business and clients in Mexico and China and also in Europe. And we have been chosen as the preferred partner for energy OEM, global energy OEM. And with these, we see a significant increase in opportunities to address the business across the geographies.

Coming to the focus of this financial year. Your Company would like to strengthen the healthcare and digital product portfolio, which we have launched with more global approvals and also commercial deployment. We'd like to extend the digital services portfolio also to our existing clients and across new verticals also. We'd like to broaden the sales capabilities across geographies and verticals, to cross sell to existing clients and acquire new clients. We'd like to apply to Atma Nirbhar initiative, enhance our strategic technology presence, through product development in the areas of radar, electronic warfare, anti-drone systems and simulators. And also, we'd like to tap into the growth potential that is appearing in energy and automotive industry verticals and also expedite our expansion in the health care, naval and transportation verticals. This is from my side for the moment. I would be very glad to answer all your questions, if any, at the end of this session. Thank you ladies and gentlemen. Over to you Shwetha.

Moderator: I would request the Company Secretary to unmute and proceed. Thank you.

Ms Shweta: Thank you Sharadhi for the presentation given. Now we will move on to the agenda items with the permission of the Chairman.

Chairman: Yep, carry on please.

Ms Shweta: So, ladies and gentlemen, the Notice dated 07 of August 2021 convening this meeting, along with a copy of the Annual Report for the financial year ended 31st March 21 has already been circulated. And with your permission, I shall take them as read. The Auditor's Report on the financial statements of the Company does not have any qualifications or observations or comments on the financial transactions or matters as having any adverse effect on the functioning of the Company. There are no qualifications, observations or comments in the Secretarial Auditors Report also. Accordingly, the reports are not required to be read out at the meeting. We now take up the resolutions as set forth in the Notice. We will open the floor for the questions for the members after all the resolutions are tabled.

The ordinary business set out in the AGM Notice pertains to

Number one. Adoption of the audited financial results, the consolidated and the standalone for 31st March 2021.

Two. Appointment of Director in place of Mr. Sharadhi Chandra Babu, who retires by rotation and being eligible offers himself for reappointment.

The special business set out in the AGM Notice pertains to

Item number three. Approval for the increase in the pool of ESOP's by adding additional equity shares under the existing AXISCADES ESOP 2018 series two and grant of stock options to the eligible employees and Directors of the Company and its subsidiary companies.

Item four. Approval for grant of additional stock options to the employees and Directors of the subsidiary Company under the ESOP series two.

Item five. Approval for grant of additional stocks to the identified employees during any one year equal to or exceeding 1% of the issued capital, excluding the outstanding bonus and conversion of the Company at the time of grant of options under the AXISCADES series two.

Item six. Approval for the material related party transaction, consultancy agreement between the wholly owned subsidiary AXISCADESINC and in this way, Chairman Mr. David Bradley is interested.

Item seven. Revision in the remuneration of Mr. Sharadhi Chandra Babu, CEO and Executive Director. The resolutions and the explanatory statement in respect of the above proposals, wherever applicable have been provided in the Notice.

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

Moderator: Thank you ma'am. This is your moderator here. I will bring the pre-registered speakers one by one, who are currently available now. The first speaker is Mr. Ajay Kumar Jain from New Delhi who is currently not available. We will move to the second speaker. The second speaker is Mr. Lokesh Gupta from Delhi who is also currently not available. We will move to the third speaker. The third speaker is Mr. Dinesh Amrutlal Kotecha from Vasai, Mumbai who is also not available. We will move to the fourth speaker. The fourth speaker is Aakash Kumar Bohra from Bengaluru. I would request the speaker, Aakash Kumar to unmute your audio and switch on your camera and proceed with your query. Thank you.

I would request the speaker Aakash Kumar to unmute your audio and switch on your camera and proceed with your query. I would request the speaker Aakash Kumar to unmute and switch on your camera and proceed with your query.

Voice: Mr Aakash Kumar Bohra is not available sir. You can go ahead.

Moderator: Since Mr Aakash is not available, we will move to the next speaker. The next speaker is Ayushi Agarwal from Bengaluru. I would request the speaker Ayushi to unmute your audio and switch on your camera and proceed with your query. Yes, speaker is unmuted. You can proceed with your query.

Ms Ayushi: Hi, I'm Ayushi. My dp ID is IN 300513 and client ID is 84322876. My question is, can you please explain any three products which were launched by the Company? Thank you.

Moderator: Thank you. We'll move to the next speaker. The sixth speaker is Mr. Chetan Chadha from New Delhi. At this moment Mr ChetanChadha is not available. We'll move to the next speaker. The next speaker is Mr. Vinod Kumar Rajgopalan from Bengaluru. I would request the speaker Mr Vinod Kumar to unmute your audio and switch on your camera and proceed with your query.

Mr Vinod, you have unmuted, you can proceed with your query. Mr Vinod Kumar, you can proceed. Since there is no response from Mr Vinod, we'll move to the next speaker. The next speaker is Mr. Abhishek Mittal from Bengaluru. I would request Mr. Abhishek to unmute your audio and switch on your camera and proceed with your query. Mr Abhishek Mittal.

Mr Abhishek: Hi all. My dp ID is 19301774. My question is, how ready we are for the next phase of transition, 4.0. Can you please explain about the offering and growth plan? Thank you.

Moderator: Thank you, sir. We'll move to the next speaker. The next speaker is Mr Manjeet Singh from Delhi. He is not available at this moment. We will move to the tenth speaker. The 10th speaker is Mr. Kishan Lal Chadha, he is also not available. We'll move to the 11th speaker. The 11th speaker is Mr. Yashpal Chopra from Delhi. At this moment even Mr Yashpal is not available. We will move to the 12th speaker. The 12th speaker is Mr. Gagan Kumar from Delhi. Mr. Gagan Kumar is also not available. We'll move to the 13th speaker. The 13th speaker is Mr Servidhay Singh from Delhi, who is also not available at this moment. We will move on to the next speaker. The 14th speaker is Mr. Rakesh Kumar from Delhi. Mr. Rakesh Kumar is also not available at this point of time. In meanwhile, Mr Lokesh Gupta has joined. I will request Mr Lokesh Gupta to unmute your audio and switch up your camera and proceed with your query.

Mr Lokesh: Hello.सर आप मुझे सुन पा रहे हैं?

Moderator : हाँ जी सर, आप बात कर सकते हैं

Mr Lokesh : सर मैं लोकेश गुप्ता दिल्ली से सभी board members का स्वागत करता हूँ , चेयरमैन सर नमस्कार सर । सर मैं दिल्ली से बोल रहा हूँ सर मैंने physical meeting दिल्ली में आपकी बहुत attend किया है लेकिन पता नहीं क्या नाराज़गी थी की हमारी दिल्ली से आप दूर चले गए सर ।लेकिन सर एक अच्छा portal हमें मिला है जिससे एक बार फिर आपसे जुड़ना हो रहा है सर ,सर मुझे आशा है भविष्य में इस portal का इस्तेमाल करेंगे use करेंगे तो pan India के shareholders को आपसे जुड़ने का मौका मिलेगा और हमें फिर एक बार फिर आपकी कंपनी के साथ जुड़ने का अवसर मिलेगा ,

सर मुझे नहीं पता क्या वजह है की हमारी कंपनी सेक्रेटरी मैडम बहुत लम्बे समय से एक अच्छी तरह performance दे रही थी, की जिस तरह उनका resign हो रहा है सर, यह मुझे नहीं पता लेकिन सर मुझे सिर्फ इतना जानना है कंपनी का जो current financial year है इसमें क्या targets है? और आने वाले next year में हमारी क्या guidance होगी सर? सर

आप पे हमें भरोसा है विश्वास यही, आपकी leadership में कंपनी ने नयी नयी उचाईयां छुई है और आगे भी उसी तरह काम करती रहेंगी जो हमारे share price में भी reflect हो, और एक healthy dividend हमें मिलेगा Thank you sir.

Moderator: Thank you, sir. Now we will give one more opportunity for Mr. Vinod Kumar Rajgopalan to speak. I would request the speaker Mr Vinod Kumar to unmute your audio and switch on your camera and proceed with your query. Mr Vinod, you have unmuted. You can proceed with your query. Mr Vinod you can speak now.

Since there is no response from this speaker, with this we have completed the Q&A session with the registered speakers who are available at the AGM during their turn. Now we are handing over the stage back to you. Thank you.

Ma'am you are on mute. I would request you to unmute and speak.

Ms Shweta: So, all the members, we will take 10 minutes of your time to collate all the questions and prepare the response and we will join back. We will get back to you in just 10 minutes. Stay with us. So, we are ready with our answers, David.

Chairman: So, thank you for those questions. The CEO, he's got the answers. So, he will address them directly. I think with regards to the last question on guidance, I think we have to be a little bit circumspect on giving forward looking figures. But please carry on with the answers if you're ready now.

Ms Shweta: Sharadhi please.

Mr. Sharadhi: Shall I go ahead with the answer, Shweta?

Ms Shweta: Yes, yes please.

Mr. Sharadhi: Okay. Thank you.

Moderator: Sir, I would request you to switch on your camera as well, sir. Thank you.

Mr. Sharadhi: Sure. Am I visible and audible clearly?

Moderator: Yes, sir.

Mr. Sharadhi: First of all, thank you all for your patience and waiting and I would like to answer your questions. And very interesting and very impressive questions. I would like to answer one by one. And Ms Ayushi Agarwal. Your question is about the details about the three products. And I would like to provide the answer here. We have embarked upon our journey towards the digital and healthcare products. In this roadmap, they have developed three new products. The first of them is, WecareEST. It's an elevated skin temperature sensor. It's a non-touch, non invasive device, which measures the temperature of a person and it is also attached to web and mobile applications. And this is a very special product compared to what is available in the market, where it is an intelligent one, where we have embedded an algorithm, which will actually compute the skin temperature and also it will provide the actual predicted body temperature. So

this one has already completed certain approvals and we have commercially deployed in a limited fashion and we hope to get more international approvals and deployed commercially worldwide very soon.

The second product is a social distancing application, which was intended to provide us both with an upside during the covid scenario and also to prove our product development capabilities. It's a video analytics-based application that indicates the distance between two individuals by monitoring the video continuously and also it indicates when the distance between two individuals comes very close, which we know, which we can configure. And this application also has really created a lot of enthusiasm in the industry, and we are also working on certain approvals and deploying it as part of our product.

And the third product is a remote operations desk, which actually assists any operations and management department to completely operate any facility, a manufacturing organisation or a factory remotely, from a remote location either outside the factory or from any location across the globe. This is also very relevant in the covid scenario

automation and remote remote management are the applications and algorithms developed by AXISCADES and we hope to deploy commercially very soon. However, we are already leveraging this capability and skills as we are already seeing a good recovery of good traction on the digital business. Moving on to the second question by Mr Abhishek Mittal. Your question has been on the industry 4.0 offerings. AXISCADES has embarked upon the industry 4.0 quite early in the industry and we have launched several services and also certain select products for this domain. They've been working on the RPA sector, the internet of things, the artificial intelligence and machine learning activities and also the additive manufacturing and also the virtual reality products. And we have significantly developed the products and services portfolio in this area and also we have seen a good traction both from our existing clients and also in the new clients in the new verticals. So, this industry 4.0 is, we are also expanding our services into the cloud computing and also enterprise resource applications and manufacturing automation. With this we plan to cover the entire gamut of industry 4.0 products and services, and which will also help me in aligning to the digital road map of the Company.

Moderator: We are losing the audio from the CEO's desk

Mr Sharadhi: Mr. Lokesh Gupta, very nice of you to hear about the Company and you have been tracking the Company and you have trusted relationship with the Company for a long time and for your nice words about the Company employees. Thank you so much. And regarding the revenue and the performance, as I mentioned to you, the covid situation is kind of getting over and we are seeing a good recovery in Aerospace vertical in the automotive and heavy engineering and also quite a good stability and speed in the Defence sector. As we have seen from quarter 4 onwards continuously we have a growth quarter on quarter. So Q1 FY 22 has been better than Q4 and Q2, I am very confident that Q 2 will be better than Q1. And going forward, each quarter will be better than the previous quarters. And FY 22, our effort is to reach the pre covid level. However, FY 22 will be certainly, significantly better than FY 21, for each quarter being better than the previous quarter.

We'll certainly make sure to put all our efforts to reach our pre covid levels. But I'm very sure FY 22 will be better than FY 21. Thank you so much and any further questions I would be glad to answer.

Ms Shweta: So, thank you Sharadhi. Thank you shareholders for having patience and listening to your answers. You may mail us your any further questions if you have. Members may please note that the voting

will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so. The Board has appointed Mr. Anant Khamankar of M/S Anant B Khamankar & Company, Practising Company Secretary for scrutinising the E voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the scrutinizer. He will then unblock the results of the remote E voting, which will then be consolidated with the results of the voting done today during this meeting. The voting results along with the Scrutinizer's Report will be communicated to the stock exchanges within 48 hours. And the same will be placed on the website of the Company and on the E voting platform of KFin. I thank all the shareholders, members of the Board, Auditors and the Management team for joining this meeting over video conferencing. Thank you all for attending this meeting. And I would request the Chairman to declare the closure of these proceedings.

Chairman : So firstly, I'd like to extend thanks to everybody for their tolerance and participation with this virtual AGM. We're never perfect, but I think they give us an opportunity to converse and to give you an update on what your Company's doing. I'd like to thank all the members of the Board and especially our Company Secretary and former CFO for their excellent work over the years. And I wish the Management team and particularly the CEO well with these plans and he can rely on mine and the Board support for the future. So, I think, with that the meeting is now closed. Shweta.

Ms Shweta: Yes, I would request the Board members whosoever is holding the shares of the Company, please vote as the Instapoll will start. And we can proceed for leaving the meeting. Thank you all. I would request the moderator to start the voting please.

Voice : Thank you. Thank you. Thank you.

Voice : Thank you all. Thank you, Chairman. Thank you, Shweta. Thank you everybody.

Ms Shweta: Thank you sir.

Voice: Shweta, we can leave, right? Shweta we can leave?

Voice : Yes sir.

Voice : Thank you. All right. Thank you. Enjoy.