

TRANSCRIPT

25th Annual General Meeting of Ceinsys Tech Limited

Saturday, September 16, 2023, 11:30 AM IST

Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

- Good morning everyone. Dear valued shareholders, Directors, invitees, guests, ladies and gentlemen, a very good morning to all of you. I, CS Pooja Karande, Company Secretary and Compliance Officer of Ceinsys Tech Limited welcome you all to this 25th Annual General Meeting of the Company. The AGM is being conducted through video conferencing as permitted by Ministry of Corporate Affairs and Securities and Exchange Board of India wide various circulars in compliance with the provisions of Companies Act and SEBI LODR regulations. The Company has provided the facility for remote e-voting to all the persons who were members on September 9, 2023 being the cut-off date to cast their votes electronically on all resolution set forth in the notice. Remote e-voting was made available from Wednesday, September 13, 2023 at 09:00 AM and ended on 15 September Friday, 2023 around 05:00 PM. In order to get maximum participation of shareholders at the AGM, we have provided a facility for voting electronically at this meeting as well. This is a facility by which all shareholders who have not voted through remote e-voting will be able to vote. I would like to inform that Chairman of the Company, Shri Sagar Meghe Sir, is unable to attend the meeting as he is out of India and due to other business commitments. As per the provisions of Article 71 of Articles of Association of the Company, clause 5.1 of Secretarial Standards on General Meetings issued by ICSI and other applicable provisions of Companies Act 2013, the Directors present here have elected Mr. Prashant Kamat, Vice Chairman, as the Chairman of this 25th annual general meeting.
- I now request Prashant Kamat Sir, being elected Chairman of the Company, to start the meeting.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

- Good morning dear members. It gives me a great pleasure to extend warm welcome to all of you to the 25th Annual General Meeting of Ceinsys Tech Limited. The meeting is being held through video conferencing in accordance with various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, and the Company has taken all requisite steps to ensure that the members are able to attend and vote at this meeting in a seamless manner. I would like to specially thank you all for sparing your valuable time and joining us virtually. Kindly note that our Chairman Sir, Shri Sagar Meghe and Mr. Dhruv Kaji Sir - Independent Director and Chairman of Nomination Committee are unable to attend today's meeting as they are traveling abroad. And, Ms. Renu Challu Madam is also unable to attend meeting due to preoccupation. Mr. Dhruv Kaji Sir, being the Chairman of NRC has authorized Mr. Kishore Dewani Sir - Independent Director and who is also member of NRC to be representative for and on behalf of Nomination and Remuneration Committee.

- Before we start the main proceedings of the meeting, I would like to acknowledge the presence of Dr. Abhay Kimmatkar - Managing Director. Mr. Rahul Johrapurkar - Joint Managing Director, Mr. Kishore Dewani Sir - Independent Director and Chairman of Audit Committee and Representative of Nomination and Remuneration Committee, Dr. Satish Wate - Independent Director and Chairman of Stakeholders Relationship and Grievance Committee, CA Amita Saxena - Chief Financial Officer. Apart from the Board members and KMPs, we also have key executives and senior management joining from their respective locations. Mr. Anuj Bhatia, Partner at M/s Chaturvedi & Shah LLP Chartered Accountants, Statutory Auditors of the company. Mr. Rupesh Shah, Partner on behalf of M/s. Chaturvedi & Shah LLP Chartered Cccountants, Statutory Auditors of the Company. Mr. Sushil Kawadkar, Secretarial Auditor of the Company and Scrutinizer for this AGM, Mr. Shreyas Petkar, Engagement Partner, Mr. Rohit Sachdev and Mr. Sahil Arora from PricewaterhouseCoopers Private Limited as Internal Auditors. We also have Mr. Amit Rajkotia, our Secretarial Consultant in the attendance and Mr. Vishal Pawar – Whole-Time Director of the Subsidiary Company ATPL ASTPL, AESPL and ADCC Infocom.
- We have the requisite quorum present through video conferencing to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per circular issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present I call this meeting to order. I now request and authorize Ms. Pooja Karande, Company Secretary and our Compliance Officer to provide general instructions to the members regarding participation in this meeting.
- Over to you, Pooja.
- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**
- Thank you, sir. The Company has taken all feasible efforts to enable members to participate through video conference and vote at the meeting. Members may note that this AGM is being held through video conference in accordance with Companies Act, 2013 and circulars issued by MCA and SEBI. The Register of Directors and KMP, the Register of Contract or Arrangement, MOA and AOA has been made available electronically on the website of the Company for inspection by the members during the AGM. As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable. Hence, the proxy register for inspection has not been made available.
- The Company has received nine requests from the members within due time as mentioned in the notice of AGM to register themselves as speakers at the meeting and we have registered them. The Company had provided facility to cast the votes electronically on all resolutions set forth in the notice. Members who have not cast their vote yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on 'Vote' tab on the video conference screen to avail this feature. Please note that there will not be voting by show of hands.

Members are requested to refer to the instructions provided in notice for seamless participation through video conference.

- In case members face any difficulty, they may reach out on the helpline numbers as mentioned in the notice of the AGM. May I now request Chairman Sir to address the Members of the Company.
- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**
- Thank you, Pooja. Dear Members, as we celebrate Ceinsys's 25th anniversary. I am filled with optimism for the future. Looking back, we have built a very strong foundation for the journey which is envisaged to come in near future. The global landscape is undergoing significant changes influenced by geopolitical factors, inflation, volatility in commodity prices and all these challenges in the global health actually helps us gives us an immense opportunity for the growth of the Company. We are continuously engaged with our customers to better understand their evolving needs and be cognizant in sustaining and growing Company, at the same time improve the quality of customer service and fulfil their expectations. The Company has also continuously focused on technology innovations and integrating the new age technology tools to help it quickly respond to the changes in the market proactively and meet ever growing customer demands on this aspect.
- The fiscal year 2023 has been a very strong year for Company demonstrating our robust fundamentals and setting the stage for our coming years. I am delighted to report that we have achieved healthy client metrics driven by new customer additions, deepening relationship with existing clients. We delivered about 8% year-on-year growth with INR 2,0288.64 lakhs in FY22-23 as a revenue at a Consolidated level. In terms of profit before tax, there has been an increase of 114%, 114.49 technically to be correct, which is currently at INR 2,890.84 lakhs in comparison to an amount of INR 1,347.76 lakhs in 21-2022. The variance is on account of acquisition of Allygrow Technologies Private Limited on February 9, 2022. Our acquisition of Allygrow Technologies in February' 22, strengthened our offerings and expanded our presence in new markets. We have rebranded our Company considering both the Companies coming together as enhancing possibilities to reflect our focus on international growth and diversification as well as our commitment to the innovation.
- We are proud to attract talented individuals who align with our values. Despite the competitive job market, we continue to bring motivated and capable people in full. Our focus on diversity, equity and inclusion is evident through initiatives like unconscious Bias training and our Female Leadership Program. To strengthen our solutions, we have invested in the areas of megatrends which we believe will shape future and give us investment opportunities in future also. In line with this, we have established a new vertical within the Company called MEG-Next, focusing on the software development and we are looking at a product development here in artificial intelligence area, machine learning and working in the areas of metaverse, Ed-tech and possibly gaming.

- It is pertinent to mention here about the recently concluded G20 Summit 2023, which was an outstanding success judged by various parameters. At this summit, India was able to leverage its economical significance, garner support from all G20 nations with the economy outperforming the rest of the world and future macroeconomic looking even brighter. There is a tremendous upside in the Indian industry. Under the current progressive trend the company is highly optimistic about venturing into new international markets, complementing its core strengths and competencies to meet the needs at large. We remain committed to applying these technologies imaginatively to solve problems across high growth sectors. We are present in geospatial and mobility solutions, which are the largest growing segments currently if we look at the global scenario.
- By enhancing possibilities and embracing innovations, we will continue to drive value and shape a successful future. I'm grateful for our employees' enthusiasm and commitment in providing top notch services and at the same time, I would like to thank shareholders for their trust and continued support on this rewarding journey. Thank you.
- I now request and authorize Pooja to take the proceedings further.
- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**
- Thank you, sir. The Statutory Auditors, M/s. Chaturvedi and Shah LLP and Secretarial Auditor Mr. Sushil Kawadkar have expressed unqualified opinion in their respective audit reports for the financial year 2022-2023. There were no qualifications, observations or adverse comments on the financial statements and matters which have any material bearing on the functioning of the Company. The Statutory Auditors' report on Standalone financial statements and Consolidated financial statements are available on page number 53 and 141, respectively of the annual report. The Secretarial Auditors' Report is enclosed as annexure report to the Board's report. As the notice is already circulated to all members, with permission, I take the notice convening the meeting as read. Members may please once again note that there will be no voting by show of hands.
- We now take up the resolution as set forth in the notice.
 - The first item on the agenda, as per the notice, is to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023, together with the reports of the Board of Directors and Auditors thereon as an **Ordinary Resolution**. The Company's accounts for the year ended 31st March 23, along with Directors' and Auditor's Report, a letter to Shareholder and Management discussion and Analysis Report have been circulated to you all. As there were no qualifications, observation or adverse comments on financial statement and matters which have any material bearing on the functioning of the Company with the permission, I take them as read.
 - The second item on the agenda as per notice is to receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the

financial year March 31, 2023, together with the report of auditors thereon as an **Ordinary Resolution**. The Company's Consolidated Accounts for the year ended 31st March 23 along with Director's report and Auditor's report, a letter to Shareholder and Management Discussion Analysis report have been circulated to you. As there were no qualifications, observation or adverse comments on the Consolidated financial Statements and matters which have any material bearing on the functioning of the Company, with the permission, I take them as read.

- The third item on the agenda, as per notice, is to declare a Final Dividend of Rs. 2/- per equity share of Rs. 10 each for the financial year ended 31st March 2023 as an **Ordinary Resolution**. As you are all aware the Board have approved final dividend of Rs. 2 per equity share, that is 20% of the face value for the year 2023.
- The fourth item on the agenda as per notice is to appoint a director in place of Dr. Abhay Kimmatkar who retires by rotation and being eligible offers himself for reappointment as an **Ordinary Resolution**.
- The fifth item on the agenda as per notice is reappointment of Statutory Auditor M/s. Chaturvedi and Shah LLP as mentioned in the resolution as an **Ordinary Resolution**.
- Now we will consider the special business.
 - The sixth item on the agenda as per notice is revision in remuneration of Mr. Prashant Kamat – Whole-Time Director, Vice Chairman and CEO as mentioned in the resolution as a **Special Resolution**.
 - The seventh item on the agenda as per notice is, revision in remuneration of Dr. Abhay Kimmatkar, Managing Director as mentioned in the resolution as **Special Resolution**.
 - The eighth item on the agenda as per the notice is, revision in remuneration of Mr. Rahul Joharapurkar, Joint Managing Director as mentioned in the resolution as **Special Resolution**.
- Chairman Sir, nine shareholders have registered themselves as speakers within the due time as mentioned in the notice of AGM. We will unmute these speakers one-by-one. We will take questions, comments of all speakers together and after all the speakers have spoken the respective officers of the company will answer. We have allotted time of one minute to each speaker. Speakers are requested to restrict their comments/questions to one minute only. Now, our first speaker Mr. Girish Gupta is requested to be unmuted.
- **Mr. Girish Gupta – Shareholder:**
- Hello I am audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited**

- Yes Sir yes Sir. Good Morning Sir.

- **Mr. Girish Gupta – Shareholder**

Good morning to all the people. I have already mailed my query to you. For the sake of the time, I am not repeating. But there is one or two thing which I want to ask. What is the new things or the special things you are doing? Whether you are doing anything, that also I mentioned in my query, you are also doing for the automation of the vehicles or automatic drive. Because this is a technical thing which we can't understand. And I have mailed my queries. I think it will be wastage of time if I repeat again and again. You can take my query and give the suitable reply. Thank you.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you Sir. We have received your queries through email. We'll answer it after all the questions has been taken. Thank you.

Now, I request our second speaker Mr. Ananth Shenoy to be unmuted.

- **Mr. Ananth Shenoy – Shareholder:**

Good Morning Am I audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes Sir.

- **Mr. Ananth Shenoy – Shareholder**

Good morning to all the Board members. Firstly, congratulations on completion of 25 years of Ceinsys. And I have sent my list of questions so I will repeat some of them. There are two sets of questions basically. First is about the standalone entity, the GIS work that we do. And second set of questions is on Allygrow, the subsidiary company. So on the standalone like, we have mentioned a fair bit of detail in the annual report but I just want to understand a few more things. So, one is about how do we participate in the....like, do we participate in the government tenders which are held by municipal authorities? Or are we consultants? How the workflow comes to us? Who are the key competitors when we participate in these tenders? Thirdly, like how does the billing happen? Why do we see so much unbilled revenue at the end of each year? So, for example, in FY23 there is about Rs. 68 crores unbilled revenue in this one. And generally, how does the payment happen? Why do we see receivables which are greater than 3 years in our balance sheet? And, we have mentioned about significant project wins in Maharashtra Geoportal and related to

water related projects and all those. So can you talk about how these project wins will give business visibility for next two to three years in the GIS space?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Okay, sir. I guess these are mostly the same questions which you have also mailed. So we'll try to answer the questions at the end as all the questions have been taken for all the speakers. Thank you, sir.

- **Mr. Ananth Shenoy – Shareholder:**

Please answer all the questions point-by-point. That will be great.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Sure Sir. Thank you.

I request our third speaker, Mr. Shlok Dave is requested to be unmuted.

- **Mr. Shlok Dave – Shareholder:**

Hello! Am I Audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes Sir. Please go ahead.

- **Mr. Shlok Dave – Shareholder:**

Good Morning everyone. Thank you very much for the opportunity. I've also sent my questions and they are nine in number. Please go point-by-point. I'd like to bring your attention to the fifth question which is, I really want to understand our capabilities and capacities. Here, if you can take us through...sir, there is not even a single listed company which has not mentioned AI and machine learning in their annual report and AGMs. Everyone is very-very generic. Some financial companies have also started using this word along with algorithms. But honestly, after my interactions with most of them, I don't think they have a clue what they're talking about. I would like to understand, and I hope that our company is different, I want to really understand what are our capabilities. I also want to understand, not just from the technical side, what kind of talent are we actually hiring and attracting. So, for example, I know the best data science program in the country is from Indian Institute of Sciences, Bangalore. So are we visiting those campuses? Are we picking up raw recruits there? I have interacted with a lot of students there and they are very-very good. So if you can touch the software aspects of the business as well. I also want to understand your sales process and also your sales force. What percentage of your total workforce is dedicated to sales? Especially in these non-GIS verticals, the new

verticals that you are starting, what percentage of your expenses will be dedicated to sales and marketing? And what percentage of the manpower will be in sales? These are the important questions, sir.

And the second part where I want some focus from the management is, in the past we have not grown that much and our profitability has also been fairly low even though we are a fairly niche company. So, in terms of ROEs, in terms of margins we have been all over the place. So, what was the reason for that, for the historical performance and what will change going forward? And finally, I have one suggestion, given the fluctuations that we see in the quarterly results and the annual results I would really appreciate if there is some sort of a broad guidance. I understand it is not always very easy to predict where the business is heading. But if you can give some idea every year that would be of great help. Because if a result comes out, we have absolutely no benchmark to compare it with what the company was expecting, whether the result is good or bad and then we cannot take any intelligent decision in terms of our holding in the company. Thank you very much for your time sirs and madam. All the best for the year. Thank you.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you Sir for your question. We understand your question and we have received your email as well. We'll answer them after taking all questions. Thank you.

Our fourth speaker Mr. Devesh Srimadri is requested to be unmuted.

- **Mr. Devesh Srimadri – Shareholder:**

Hi, Am I Audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes Sir.

- **Mr. Devesh Srimadri – Shareholder**

Ok. Good Afternoon everybody. Thank you for the opportunity. In the interest of time I have also sent my question and my previous speakers also have raised some point. So, only additional request I would sort of call out is, like the previous speaker said that our quarterly results has lot of variations and our AR was quite bullish. And that combination, if you could start giving some quarterly updates after each result so that as the investor community we get the idea where we are heading, what are the roadblocks, just more for transparency purpose. That would be one request. In addition to that, if you can also talk and help us understand what is our business model? We are a 1000 plus people. Should we look ourselves as a service company or do we have an IP base as well that should become a sizable component of the business going forward? So please help us understand operating leverage that can play out. Primarily looking at broad overview that how do you see company in two to

three years down the line, right? Those would be the key question and rest I have mailed. Thank you.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you Sir. We'll answer them after taking all the questions. Thank you.

Our fifth speaker Mr. Vinod Kashyap is requested to be unmuted.

- **Mr. Vinod Kashyap – Shareholder:**

Yeah, Hi and Good morning and thanks for the opportunity. So I'll just quickly repeat the questions that I've mailed. I just wanted to know whether the management would like to give any growth guidance for the upcoming financial year and if you have any aspirational or vision target of sales revenues for the next three to five years. Because, if I see from 2016, you had some turnover of Rs. 140 crores and we have grown like in single digits till today and do you have any aspiration of growing any faster? And going through the annual report, I see that most of the standalone entity the Geospatial is from government projects. Is that the reason why we have higher receivables and have you tried to market them in the export areas and any other areas? And the third question would be, does the management have any plans to reduce the debt on books? And the fourth question was, if the management can give the growth prospects on the acquired Allygrow technologies. Thank you.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you, Sir. We have understood your question. We'll answer them after taking all the questions. Thank you.

Our sixth speaker Mr. Rohit Balakrishnan is requested to be unmuted.

- **Lady Speaker:**

Actually I'm attending the meeting on his behalf. He has already mailed the questions. Please can you check it?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes, we have received the questions and we'll answer them. Thank you.

Our seventh speaker Mr. Kanwar Sahni is requested to be unmuted.

- **Mr. Kanwar Sahni – Shareholder:**

Thank you for letting me speak. Hello! Hello!

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited**

Yeah listening, you are audible Sir. Go ahead

Thank you for letting me speak. I believe most of the questions have been answered. But asked earlier, just one thing. Well we are basically very master centric and you have any vision to really have a pan India presence and how are you really focusing and spreading your wings across India? That's all. And most of the questions have already been asked and please answer them point-by-point, if you can.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Sir, can you repeat the question? Because it was not audible.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

Pooja, I got the question. His question is 'you seem to be Maharashtra Centric. Can you give your Pan India presence? Rest of the questions have been asked by others'.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Okay, thank you Sir.

Now we move to next speaker, the eighth speaker I request Mr. Keshav Kumar to be unmuted.

- **Mr. Keshav Kumar – Shareholder:**

Hello, Am I audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes Sir.

- **Mr. Keshav Kumar – Shareholder:**

- Firstly, what is the industry split of our revenues? Secondly, from the right to win perspective, are there any verticals or spaces where we are particularly strong? If so, would be great if you can give some sense of whether we are in top three, top five etc. Next question is, with the new Geospatial policy what will be the material change in our business? If you could give some futuristic examples of how the applications will look like. Next, how do you see the applications of our capabilities expanding to the private sector other than the utility work we currently do? And it would be great again, if you could elaborate a bit with some examples. Next, as a few of our competitors are doing and as the Indian Mapping market leader has done over the years, are we moving along to productize our business and build IP based

solutions that might reduce services component and improve our cash flows? If so, can you elaborate what we are doing there?

Next, if you could help us understand the rationale for acquiring Allygrow, and whether there would be a crossflow of capabilities between Allygrow and our core business? And particularly in relation to geospatial business, do we stand to benefit from this acquisition?

Next, why do we have a high credit cost loans pertaining to debtors? What are the reasons due to which we face credit cost, in the first place?

Next, what is the income from sales of license in the Other Income representative of? I'll repeat this one. So the line item, Income from Sale of License, what does this represent?

And lastly, should we expect an improvement in debtors in the medium term? If so, what should be the reasons for it?

That's all from my side. Thank you.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you Sir. We'll answer them shortly. The final and 9th speaker is Mr. Ayush Agrawal. I request Mr. Ayush Agrawal to be unmuted.

- **Mr. Ayush Agrawal – Shareholder:**

Good Morning everyone. I hope I'm audible?

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Yes Sir.

- **Mr. Ayush Agrawal – Shareholder:**

I'll read out my questions since I did not send them. So I'll quickly go through them, and I will not repeat what others have asked. So my first question is, we see that in the standalone business, the GIS business, we grew well from 2012 to 2020, from 50 crores to 200 crores, but margins was kind of all over the place. Initially, we used to do 20% kind of margins, then we did 13% to 15% margins. And in 2020, we did 25-26% kind of margins. So we would like to understand, why the variability in these margins and what are the sustainable margins for the GIS business? And, and in the last 3 years, company has not been able to grow in the GIS business. If there is any particular reason for that? And, what will drive growth going ahead? Do we work on any kind of order book? And if yes, then what is the current order book and the execution timeline for the same? So that is the first part of the question.

The second is, you know we would like to understand the competitive landscape, given that this is a tender-driven business. So how competitive are we and how do we benchmark ourselves to others? What competitive advantage do we have? And

like someone asked, do we have any particular capability in any sector where we are dominant? If you can highlight that, that will be good. Is our company planning to move away from the B2G business, or reduce the share of BtoG business? Is there any opportunity outside of the B2G business? And, if you can help us understand what core sectors is driving growth in the GIS segment?

On the Allygrow of companies, if you can talk a little about what are the key services we offer in Allygrow and Allygram separately, and how are the two companies different, like Allygrow and Allygram? And how do we plan to grow the standalone GIS services in the export market through these entities? The reason for acquisition, and going into a new vertical completely will be helpful. So, if you can elaborate more on that. And, what are our plans to grow in the Allygrow and Allygram business.

The final set of questions is on the bookkeeping questions. So, we see standalone entity, employee cost has gone up from 32 crores to 54 crores in FY23. So what is the reason for that? And similarly, one very large expense item - Project and Other Operating Expenses have fallen from 97 crores to 39 crores. So first, what are these Project and Other Operating Expenses, and why did they fall? What are the purchase of stock in trade of 30 crores? And, you know we have large unbilled revenues. So, what are these? What is the nature of unbilled revenues? And since it has fallen, does this mean that going ahead, in FY24 growth may not be as much? We have 37 crores of receivables more than one year. So that is a very, very high number. What are we doing to you know, change this, and ensure that at receivers don't turn bad? We also have professional and consultancy charges of 7 crores. So what are these related to?

And my final question is, what kind of growth are we expecting in the GIS business for the next 2 to 3 years, and what will drive that growth? These are the questions from my end.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you, Sir. We have noted down the questions. Thank you all the speakers for your queries, questions, and comments. We have noted the questions and comments of all speakers, and also questions that were sent through email. For the convenience of Members of the Company, we have segregated all the questions in four parts, and respective Directors/KMP will try to answer them. I request them now to answer the queries one by one.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

So, let me step in. What we are trying to do is, we have done four buckets of the questions. One, related to operations, and how what is happening in the company, what services we do, that class of some things, which our Joint Managing Director, Mr. Rahul Joharapurkar will address. Then, the second set of questions we have are related to GIS and our business piece in GIS, especially looking at... someone asked about Maharashtra and the rest of the India, whether what we are doing, how we are doing, what's our growth plans? Dr. Abhay Kimmatkar, who is our Managing

Director, he will address that set of questions. In terms of balance sheet and financial numbers, our CFO – CA Amita Saxena Ma'am will address. And, the rest of the questions which are in terms of strategic in nature, where we are heading, what we think we will do, from Allygrow as well as from Ceinsys' point of view, that set of questions I will answer.

The sequence we have decided - in terms of operational questions, Rahul will first try to address all the questions received in the email, as well as asked on the call. Then, followed by Dr. Abhay Kimmatkar, then our CFO – CA Amita Madam, and the last I will step in to answer the remaining questions. Thank you very much. Over to you Rahul.

– **Mr. Rahul Joharapurkar - Joint Managing Director, Ceinsys Tech Limited:**

Okay, Good Afternoon all, and thank you very much for all the questions, valid questions, what we have received. I'll take up the questions which have come from Mr. Girish Gupta first. The first question was, please explain in detail the business of the company and the main focus areas? And I think, this was a question raised by others also. So, the three main focus areas is geospatial, mobility and software sales or products division. And within these verticals we focus on engineering services, turnkey solutions, professional consulting and remote sensing activities.

The second question was related to orderbook, time period of execution and bifurcation in domestic and export segments. So as of today, the orderbook is 400 crores plus. 98% of this comes from domestic market. We have a good funding in place. And in the coming months and coming years, we are bound to achieve good orderbook operations for the year-on-year growth. The execution plan for this financial year is 200 crores, and the orderbook will change based on subsequent significant wins which we receive time to time as a product of our business development process.

The third question was related to how we participate or how we win the tenders? So 98% of the business comes from domestic; we participate in government tenders. It happens through either RFP or RFQ or limited inquiries. We are part of an empanelment process where we get limited inquiries from different government agencies. We participate in that based on the pre-qualification and technical authentication. And then, based on the QCBS process, we are either awarded a tender based on least cost basis or L1 basis, we are awarded a tender.

Who are our key competitors. As Ceinsys works in different business domains, the key competitors on the geospatial are like Companies like Amnexus, Genesys, RMSI, Cyient or RAMTeCH. In professional engineering services we compete with consultants like Aarvee, SMEC, Voyants. And, in international space, we compete with Companies like ICC Technology, Avineon and big giants like TCS, Infosys and Accenture also.

The next set of question was related to how billing happens and how does it happen? As we are working mostly in the government space, the billing milestones are very clearly defined in the tender or the RFP which comes out. There are different milestones defined. Based on the milestones, we do our work. We submit

or deliverance to the customer. The customer approves it directly, or they appoint a product management consultant or third-party inspection agency, who vets all work, and then they give us the certificate to raise our invoice.

Why, there are so much of unbilled revenue? As I've said in my previous answer, that we work with government tenders and they are based on milestones. So until the milestone is achieved, we keep on accruing the revenue, and then, once the milestone is achieved, we bill that. That is why, probably... because of the delay milestone, because of the approval process which takes long time, there's a lot of unbilled revenue, which you can see in the balance sheets.

How does the payment happens? As we clearly know, government payments depend solely on the funds, once they have. Either it could be self-funds or it could be a state-driven program or it could be a national-different program. And, based on the geopolitical scenario, based on the administrative situations, sometimes the funding gets delayed. Sometimes the funding from the centre to the state, from the state to the local corporation, local agency gets delayed. And, that is where, in spite of our milestones getting approved, our payments get delayed. And that is probably reflected in the debtor position in the balance sheet.

Next question of set of questions was related to the bifurcation of sales. So, government customers is around 80-85%, and private customers, mostly belonging to the products and divisions, is roughly around 15-20%.

One more interesting question was, probably most of the shareholders observed that we work only Maharashtra, we are Maharashtra centric. But, that's not the case. 50-60% of our business do come from because we are a Maharashtra-based organization, but rest of the business come from other states. Uttar Pradesh is major, 32%. And we work pan India. Since our inception, we have been working pan India, right from north-east to the south states, and we have revenues. Because we have a centralized billing system from Nagpur, you see most of the billings happening from Maharashtra. But, we work pan India basis.

I think there were other questions from other shareholders which I've already answered as part of the process. Prashant sir, that's all from my side, from the operations perspective. I now, hand it over to Dr. Kimmatkar for the business development and the India strategy questions.

– **Mr. Abhay Kimmatkar - Managing Director, Ceinsys Tech Limited:**

Thank you Rahul. Thanks all shareholders who are attending this, and thanks for the questions.

So, the first question is from Girish ji. As a company in geospatial engineering, which is very niche in the field, and very huge opportunities are lying there, explain the steps we have taken. So yes, the question is very apt. We are one of the premium geospatial Company in this Country. Last 25 years we have been evolving as a one of the best technology providers in the country. Simultaneously, we also you know went into the engineering space, delivering solutions on both of them both, both the technologies. So, we have involved in one of the finest technologies, some of our finest project we have delivered. One of the premium solutions what we have

delivered is, 5D BIM technology using GIS integrated common data environment platform. And, another one is digital twin 3D CT solutions, using Lidar and Drone data capacities. These are the unique geospatial and engineering amalgamation projects which we have already delivered, and these are the flagship programs of Ceinsys.

Coming to question 2, highlight the problems faced by industry in this current moment, like increasing price, supply chain problem, tremendous increase in price of raw material and impact of working on the Company. Absolutely right, recently, after advent of COVID, things have started worsening as the cost has increased, due to delays in logistics on supply, causing immense delays in project, the deliveries, and of course, the milestones. So, it has impacted project profitability immensely. So, the margins have got reduced due to that. Now we're working on that. The new projects are getting bid absorbing all these costs. So that is the key thing, going forward, we are going to implement.

The other question was, we have mentioned that we have wins from Fugro, Cyclomedia and NEO during the year. How are we seeing overseas revenue in the GIS space? So, Ceinsys is aggressively positioning its capabilities in geospatial data using application development. Primarily, we have been doing that over the years. And then we have really good capabilities and capacities in those. Our primary markets are US and Europe. We have exclusively put up dedicated people to market, to demonstrate and to penetrate our solutions in those markets. We have got people we have recently onboarded, and they are doing our business development in those markets.

Other question was, we are having experienced people in GIS in US. What plans we have to ramp up? I've already answered that. Do we have capabilities to participate with municipal authorities in other countries, or we are going to do partnership? Of course, we have capabilities. We have delivered a lot of projects for municipalities in India, and similarly, we'll be doing it in overseas. If required, we'll also do partnership in overseas markets.

There is a question which says, Fugro talks about significant revenue from oil and gas renewables. What skill set do we have in that area? So, Fugro is a diversified Company, which have many divisions, many verticals and spread across the globe, having its present in various countries. Ceinsys is focusing on their geospatial and AEC domain. We're catering to their GIS and AEC data creation applications in those areas. Rest of the verticals, we are not present, and we only do work in those GIS and AEC domain for them.

Another question is, what we bring to table when we deal with global companies like Fugro and Cyclomedia. The biggest advantage for us is a cost arbitrage. We have capability. We have developed high efficiency production tools, you know, and we have highly skilled manpower which has brought in a lot of efficiency. And we use multiple technologies like Autodesk, Bentley, Siemens, Hexagon. So, these are all technologies we have acquired and adopted over the decade. We have proficiency in delivering projects in that. So, the biggest advantage for us is the cost arbitration.

The other question was, they have specially mentioned offshore wing as a significant driver. Do we have capabilities to service that globally? Fugro works across the globe, that I've already mentioned, and they have multi-spectral domain presence. One I already mentioned like oil and gas, then offshore exploration, geodata and AEC as well. Ceinsys is engaged with them for their projects in USA, Canada and Saudi Arabia. We are also trying to get few more projects in other geographies, but confined to our domain of geospatial and AEC.

Another question was, revenue from outside India was 2.5 crores. How do we see it changing with these new customer wins, versus 126 crores in India? Our latest focus is on digital... we have already mentioned what we are doing and how are we scaling up. So presently, we are focusing on a lot of BIM projects, a lot of engineering projects, as well as geospatial application development.

Coming to the Scan-to-BIM side, which was asked in this question. We have already started developing some products some technologies we have created into that scan-to-BIM space, wherein as Prashant said during his speech, that we are creating capabilities, we have developed products. And, one of the products is scan-to-BIM, which will also cater to the building renovation process, heritage data capture, heritage building renovation, and then automotive sector also we are going to cater through this technology. And then it will also help while creating the digital twin. So, we have started developing that platform. Perhaps, I see that in the near future that getting rolled out.

The other question was, we have bucketed geospatial revenues in three basket. So how the revenue split will up would happen? So we've just integrated offerings. About 25% we have been delivering, we have been seeing our business development. Perhaps, we'll achieve those numbers. Consulting services about 20%, and then data capture and new-age technology is about 2 to 5%. This is what is the revenue split as far as the capabilities go.

The other question was, how much margins are differentiated? Again, on the same question, what I've answered, for Fugro, it depends on the businesses and the geographies where we're delivering the projects. Every project is different, and every projects have different kind of margin. So, and, it depends on the geographies and the nature of business what we're conducting with the organization.

The next question is, how this is going to change in exports? The revenue split would be depending on the geography the customer need, and the business requirement which I have just stated about.

The next question was, we do sell some software products and got 38 crores sales on 5 crores profit. Can you please share which softwares we sell? Are we distributors? Yes, so we are not a distributor, but we are value added resources. This is the terminology used by most OEMs from the western countries. So Autodesk is one of the primary principal partners for us. So, Autodesk, Bentley, ESRI, Siemens, Maxar and OsiSoft, these are the partnerships we have signed up, and one of the major businesses we do is for Autodesk, which caters to AEC as well as design and manufacturing segment. We have customers in those domains. Bentley is for transportation, water and AEC-BIM solutions. ESRI is for enterprise, geospatial

products and applications on geospatial. Siemens PLM is for the manufacturing domain. Maxar is for satellite imagery, which we have implemented for few of our Government customers. OsiSoft is for smart water platform, which we are positioning with a few customers.

The next question was, can you please talk in detail about the business model of software products?

So software product is a proprietary technology, which I mentioned, the OEMs for which we are working. Those OEMs develop them, market them and brand them as their flagship product. These OEMs have their own market. Primary partnership we have carried out, as with Autodesk, Bentley, ESRI, and a little bit with Siemens. But, we are pretty much focused with Autodesk, Bentley, and ESRI. Autodesk has the largest market segment with three verticals, which namely is AEC, design and manufacturing and media & entertainment. But, Ceinsys only does their business for AEC and design and manufacturing. We are a gold partners with Autodesk. Similarly, we are doing some solution business with Bentley, which is a solution company, and also ESRI, which is also a solution company. So we have carried out of projects using their technologies, and then we also resale their products.

The last question for me was, kindly go through the detailed capabilities and capacities of. So, I have answered most of those. We have capabilities in, as Prashant rightly said, we have presence in geospatial technology. We are delivering projects based on geospatial technology. But we have created vertical models, vertical solutions in water, transportation, and electrical segment. But underlying technology is geospatial.

So, thank you so much for these questions. I hope I have answered all of them. Over to you Prashant.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

Amita, can you take the next set of questions on the finance side.

- **Ms. Amita Saxena – Chief Financial Officer, Ceinsys Tech Limited:**

Yes Sir, Good Afternoon everyone. The first question which I'll be answering is, why the company has reduced to dividend in this year, though we have better profits than previous years? Yes, we have performed better this year on a consolidated level, and our profits are better on a consolidated level. But as far as standalone is concerned, we have a certain decline in our top line. Therefore, even our profits have shrunk in this current financial year. Therefore, the dividend we have proposed is Rs. 2 per share. The company has a trend of declaring dividend of Rs. 2.25 per share in last 2 years, but still due to decline in profits, we have reduced by 25 paise, but still they have maintained the dividend of Rs. 2 per share.

The another question on which I think every shareholder is concerned, is about 100 crores trade receivables. Why we have that much of aging, and why 15 crores is more than 3 years? So I will answer step by step all these queries of debtors. First of all, major 80% of revenue is coming from Government business and Government businesses they have their own process and timelines to execute things at their end.

So, considering the nature of our clients, Government department certification, UAT and invoice processing is lengthy and a time taking process. Even sometimes we face challenges of funds also with our clients, and due to their administrative challenges also our UBR also takes time to get converted into billing. So the realization of debtors and UBR is mostly because of the Government nature and Government clients, and because of the funds issue we face with the Government departments.

Now, there was certain specific question on 15 crores of debtors more than 3 years. Actually, these were few projects which got affected during the COVID period, and project priority of the Government got change during after this COVID. And certain projects got delayed due to non-availability of land and post administrative approvals. Therefore, these payments got stuck with these Government departments. But the company is continuously monitoring these projects, and we are very well sure that we will recover these amounts from the government.

Now, the next question comes on bad debts which we have. This is a normal thing which happens in every business. And, far as our bad debts is concerned, these are certain extra quantity of work which has been partially approved by the client, and balance work has not been approved by the client. Hence the same has been written off. And, there were certain small legal long-outstanding balances which were return of as per consistent practice, which the company follows on a conservative basis.

Employee share is 9.93 crores of ESOPs. These ESOPs were given to employees whose contribution is important to the success of the company. By offering them an opportunity to participate in company's performance, we have offered these ESOPs to certain employees of our organization.

Other current liabilities, unearned revenue, 8.5 crores. Shareholders wanted to have a detail of this. Actually, this is an advance received from our customer, and the performance obligation will be satisfied in the coming years. That's why that has been shown as unearned revenue.

Our revenues have been around for 50 to 55 crores in Allygrow. Actually, we have a top line of 80 to 85 crores in Allygrow and Allygram business. Just because Allygram is in joint venture, the top line doesn't get counted in our consolidated financial years. But yes, we foresee a double-digit year-on-year growth in our Allygrow business also.

We have not paid taxes on consolidated basis. Actually, we need to pay taxes on standalone company basis, which the company has complied for. And tax on consolidation is not required to be paid as per income tax laws.

Given the nature of our business, why our return on equity is remains so low over the years? Actually, ROE is improving marginally over the 3 years. However, due to ESOPs and decline in profits in 2022-23, there's certain small downfall also in our return on equity. But return on equity is mainly low because of our Government business, because the revenue mix is like that, and we don't have those profit margin... higher profit margins in Government business. So even the company is planning to move towards international business wherein we can improve our return on equity over the years, in the coming future years.

Now, as far as debt-equity is concerned, the Company is at present is also not having much debts in its books. Our debt-equity is hardly 0.32 in March 2023. And, at present also, our debt is reduced to 35 crores as compared to 50 crores from March to June. And, as far as Company debt is concerned, the Company is planning to be a debt-free company or a zero-debt company by end of June 2024. So, we are planning to have no debts in our books by '24 June, next year.

Next question is, so does the Company have plans to reduce the debt? That I have already answered.

As far as margin and fluctuation in our results are concerned, I think Rahul has already mentioned, our project is based on milestones. Our billing is based on milestones of the projects, and the margins of each milestone varies, due to which our quarterly margin also fluctuates. So, it depends upon which quarter which milestones will be there. So therefore, we look into...matlab, there is lot of volatility in our margins, which we see in quarterly results.

So, high working capital days. As far as we are concerned, it is mostly because of debtors and UBR, that I've already discussed. Because we have certain challenges in realizing funds from the government sometimes, and the certification process also, it takes time. And UBR mostly is based on milestone. Till the time we will achieve our milestones, we will not be able to bill. So, sometimes the UBR is also there in the books, and it gets converted only after achieving of milestones.

I think I have answered all the questions which I have received on mail. But, there are certain questions of sale of license. I think someone has asked about sale of license. So that question... There's a service export incentive scheme license that was there, which was not being utilized by Ceinsys. Therefore, it has been sold.

Employee cost has gone up. Yes, employee cost has gone up from 32 to 54 out of which 9.96 crores is of ESOPs, which we have given this year. And, our employee cost has also increased because the mix and combination of our projects have changed. I think one of the question was why are project direct expenses have gone down, because there is a change in the project, there is a variation on our projects, we don't need as such that kind of project direct expenses in our business right now and manpower involvement is more in our projects therefore the employee cost has gone more due to TPI and consultancy projects we are taking - we are pursuing in this financial year, this cost has gone up. And another question was on consultancy costs because of the same which I have told you right now that we have the PMC and TPI contracts wherein we require these kinds of consultant, therefore this consultancy cost includes that consultants which we have hired for that particular project. Therefore, this is all from my side. I think I've answered all the questions, so you can take it forward from here, Prashant Sir.

– **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

Thank you, Amita ma'am. So, I will take the next set of questions now from the shareholders. The first question from Girish ji Gupta was to explain about the working of Meg-Nxt subsidiary. So, the first thing is it's no more subsidiary, it's a vertical within the Ceinsys. We wanted to create a subsidiary, but then when we

debated internally, we basically thought it is a bit of strategy for that, so there is a report versus what I'm saying you will understand that. Secondly, what do we do in Meg-Nxt or what are our future plans for the technology and I think related question one more asked, so I'm going to combine two of them. Are we one of the players of artificial intelligence and machine learning, everybody is saying so are you one of them? So, the differentiator has two; one the area which we have chosen, we believe is a real space where AI is required, which is scanning technologies and identifying objects whether it is GIS or it is AEC or any other space. In terms of current landscapes in that area, there are many players which are selling licensed softwares, but in terms of using artificial intelligence and giving it as one stop solution it's a vacuum and that's the place which is chosen by your company to develop the product. So, that's exactly what Meg-Nxt is doing. We believe the Meg-Nxt in its full form, the consumption will also be coming from metaverse also from gaming technology because they will also need the realistic spaces inside their world - while in their world virtual spaces and other industries like AEC.

The next question from Girish ji was about explain the business about AllyGrow technologies. AllyGrow technology is a pureplay engineering services working predominantly in mobility segment, but mobility segment here is defined little bit in a broader sense. Earth moving equipment, and construction equipment is also part considered in mobility because in terms of skills required, they are exactly same, so minus that AllyGrow technology is basically working in the mobility. The service areas which they cover is in terms of interiors of the car, interiors of the heavy-duty vehicles, all of that even though exteriors of the vehicles wherever comfort, ergonomics, any other touch that's where AllyGrow works.

The next question from Girish ji was why is there one fund who holds big quantity of shares excelling in the market? This is the deal which was done by our company - by your company in acquiring AllyGrow Technologies. The fund was a shareholder in AllyGrow Technology. Fund had come to its end of life and therefore they cannot continue to hold these shares and that is the only reason they are selling it in the market. Final view on the company, I think lot has been spoken already, but if you ask my opinion based on what we are seeing the traction in the international as well as domestic market and the areas of our operations, I believe our company has a great future. In coming years, we should see margin expansions because we have seen a lot of - we have taken a lot of initiatives to start selling our competences in the international market and the cost arbitrage as well as the growth in the market giving the company's current structure, we believe there will be margin expansions as well as top line growth. We are in the right position and right space for that group.

Next question from Girish ji was, this is an interesting question he has requested if you can visit the office and I would like to personally extend the invitation yes you're more than welcome, please let us know when possible and which city because we have multiple offices, Nagpur being headquarter, but we also have presence in Pune and other places, so please tell us when and where we will be very happy to welcome you.

Moving to the next shareholder, Ananth ji Shenoy had asked can you talk about visibility of 3-4 years in GIS segment. I think, Abhay addressed this question in an elaborate way. The space, the area, and the market expansion gives me a very high confidence that we are poised for a very well next phase of growth in this Company. AllyGrow related questions in terms of synergy which GIS work, this question came I think 2-3 times, so let me try and spend a minute on this. The rationale for why did we acquire AllyGrow from Ceinsys point of view can be explained in two stages. Step one is immediate near future term- near to medium, basically the AllyGrow management had an experience from the international market and Ceinsys had extremely high competencies in the space of GIS, but less exposure to the international market. The marriage between the two actually enables us to take Ceinsys GIS competencies around the globe, therefore expand margins and change the growth curve. The second part and this I think has been asked again couple of places in terms of where is the synergy between the two, so this first part I said was the management synergy. The technical synergy and someone has already asked even today and in the written questions, does AllyGrow work in autonomous, the answer today is no, but with the GIS competences coming from Ceinsys and automotive competences coming from AllyGrow, in medium to long-term future that is this synergy which was envisaged at the time of acquisition. So, lot of work is happening there along with Meg-Nxt competencies, Ceinsys GIS competencies, and AllyGrow automotive competences, all three put together we believe we will be a player in autonomous in sometime in future. We are just working on the timelines and the way to get there.

Ananth Shenoy ji's next question was why are we planning to merge GIS along with AllyGrow? I think I just answered that question a minute before. If we need to get those synergies of technical skills and bring them together, point no1. Point no2, if you have to get Ceinsys competencies go internationally, we also need Ceinsys team and AllyGrow team start working together and I think that's one of the fundamental reason why we are bringing it in the merger scheme both of them together.

The next question was, we service Caterpillars and General Motors, yes, the engagement model in term - in specific this cases, Caterpillar we do more like their end of design stage before getting into production. In GM, this is a relationship which is going on from prior to AllyGrow, which was acquired by AllyGrow then to Ceinsys. So, more than 20 years this relationship is there with GM and we do manufacturing engineering predominantly for GM, but we also do other areas inside GM. Then who are the next - who are the key competitors? All the typical large IT and ITES companies like L&T Technologies, Tata Technologies, Onward, all these are the players against which we compete and win the business.

Shenoy ji had asked next question what are the capabilities we have in this segment and are we specifically in design services BIW? I think I just answered that question. We are more - if you look at our revenues, we are more in interiors, next followed will be vehicle integration, and then BIW, so we have all the areas covering, but in terms of revenue mix interior will be the highest, vehicle integration will be the next, and BIW will be the third.

Next question was AllyGrow Technology BV Netherlands, why there is a big loss? The only reason for that loss was BV was established as a holding company for our acquisition in Germany and when I'm saying our, it was AllyGrow's acquisition in 2016, by 2019 given the market conditions in Germany, AllyGrow management at that time decided to close Germany subsidiary and therefore all those losses were booked in Netherlands holding company, AllyGrow BV. How many people on site in AllyGrow, is it T&M based? The number will vary as you would expect. Currently, we have about 40 people in US, these are more like a local hires. We do both, so it's very difficult for me to say whether it is only T&M. We have a T&M, we have a project business also, and we have a mix of both of them as well.

Next question from Shenoy ji was regarding Allygram, how did we develop the relationship? They're a big group and we have opened a new development center with them. So, the relationship with them got developed through our German acquisitions in 2016-2017 timeframe. From 2018-2019, we started working for Allygram in India that JV was set up. The relationship is very deep, very consistent, and I would say at a very positive note, and the reason I would say that to our company is because by 2024, the JV contract they had the choice of exiting that JV, but we have a confirmation that they will continue to work with us in future terms also. So, it's a very positive news for the company. Are we getting into new areas of services with them? Yes, it's an everyday business. We continue to explore which areas additionally we can do than what we started with. As of now, we have added 3-4 areas. My technical team should be in a more position to answer that, but I can tell you the biggest area we are entered is PLM and we have started already working in that area. How do you see revenue and growth in Grammer JV? Again, it's a continuous effort. We started this JV with first year revenue somewhere about half a million and we will continue to increase the revenue in coming years as well. Meg-Nxt subsidiary, I think I just answered that question. It's a vertical within Ceinsys now and what it is doing is trying to get the scanned point cloud data at a meaningful level by creating models out of them and identifying objects in the scanned point cloud using AI and ML.

Next set of questions which came from Shlokji Dave ji was what was the organic growth for the year? If this question is related to Ceinsys, I think CFO ma'am has already answered. This year there was a little bit of degrowth because of whatever parameters we faced in the beginning of this last year. We are out of that. You have seen the numbers and we have actually grown if we put both the same companies together. Next question is, given the rapid growth we are seeing across clients since 2016, our revenue has remained flattish or constant. The observation is correct, but if you really look at the reasons from 2016, the company has grown pretty well. Again, I'm assuming this is the question related to Ceinsys, you would have seen the growth in numbers even on AllyGrow side, I think CFO ma'am explained the numbers which you see is excluding JV top line, therefore you don't see numbers. Otherwise, the company has grown from 50 crores to 86 crores last year and it is expected to continue grow in double digit numbers.

Extreme volatility, I think this is a question which has been addressed by 2-3 people. Abhay tried to address, Rahul tried to address, let me repeat once again.

Fundamentally, it is because the larger portion of our business close to about 65%-66% of the business is linked to milestone billing and as the milestones move from quarter-to-quarter, the fluctuations is the result of that. Same discussion, the question was whether we are just putting AI and ML as a tagline like everybody does? I think I tried to answer that, no given the point cloud refinement and identifying the real objects from that and creating the models out of it, AI has a big role. Our company has identified that need of the market and we have started working on that. Right now, the team is in place for like last three to six months and initial success is something to go with, we would say we are in a very right path. Talent hiring, the question Dave ji asked was are we going from IIS Bangalore? No, we haven't taken it from IIS Bangalore yet, but we have taken from IISERs of this world and between the two, I would say both of them will be at the same level in terms of their artificial intelligence and machine learning training to their kids.

Sales in new verticals, if the new verticals means AI and ML, I think what we are starting to do is not to wait for the final product of Meg-Nxt to be ready, but start using those competences in the services which provide from Ceinsys as well as AllyGrow and those revenues will also be counted in the new verticals. Can you offer a guidance of the growth for the next five years? This question I think has been already responded by many before. From my perspective, at a consolidated level as I said we are in a very sweet spot. We have a cost structure which is very competitive and we believe from here we can really grow positively year-on-year and as we start moving from current government business to our international business international markets, and the percentage of international markets as that grows, you will see a stable quarter-on-quarter growth from the company and year on year growth from the company.

Next question was how will acquisition of AllyGrow help and what capabilities they bring to the table? I think I just answered that question in one of the earlier question answer. Do we see a double-digit price decline every year? No, we don't see. We actually see a price improving as I said. Instead of domestic if you're going international, we will see a price increase and the margin expansion.

Next coming to Devesh ji' questions. This was regarding variation, why do we see this variation and do we plan to do a communication and guidance? This is a question which has been coming to us from different quarters and our attempt in a near future will be to start communication along with every quarter results. We would also try to start giving guidance, but given that there are a lot of variables right now and we are trying to put a strategy in one particular direction, I think it is at least few quarters away before we start that, but that's the direction and that's what we will be doing in the near future, near to medium term future we'll get to that. The next question asked was we have delivered decent revenue and better margins in FY23, how do we see trend in FY24? In all the service offerings which we have done margins in FY23, we would expect to better them in FY24. If Q1 is any indication of what we expect the FY24 to be different, you would see the comparison between Q1 of the last year and Q1 of this year, you will realize how we are heading in that direction.

The next question was - I think it's the same question, margin of Q4 23 and Q1 24 is higher, is it sustainable? My answer is yes, it is sustainable, it's not flipping the pan and with more things getting streamlined for the international sale, I would expect the consistency of these margins and even improvement on these margins going forward.

The next question was where do we see Ceinsys in 2-3 years? I think I just mentioned in the earlier set of questions, the space, the position, and the cost structure of the company helps us to a very positive outlook and a very stable growth as well as very stable margin expansion in coming years.

Acquisition of AllyGrow is timed very well business scaling, some good amount of hiring in US geography in coming years? Yes, answer to all those questions Devesh ji is yes, it's already started and the path will continue to be covered largely in coming quarters and coming years. Next question is can you please comment on further acquisition? It's a little bit premature to say whether we have anything, but I can definitely say as a part of strategy, we will be on the lookout to look at how we can grow, both organically as well as inorganically.

The next question is, our company as a potential for product that stand out, I think we'll just discuss that. Meg-Nxt is that attempt to create the products in the digital space for us as a company and that will also help us automate a lot of our services in the GIS space, therefore again, will help expand our margins.

Fund House is selling, I just explained the situation Fund House is coming to the end of its life, therefore they are exiting and that's why they're selling the shares.

Moving to Vinod ji's questions, on the growth and the guidance, I just mentioned in the earlier set of discussion, we expect stable growth, we expect stable margin expansion going forward.

Next question, it looks like most Standalone sales are coming from Government project does company have any plans to diversify? Answer is yes and I think I answered this 2-3 times. Currently, if a Government concentration is close to about 60%-66%, we expect that to continue to reduce year-on-year and get the more revenue from the international market for the group.

Can you comment on the growth prospects of newly acquired AllyGrow? Again, we have been discussing this in last few questions, AllyGrow at a current level is expecting double digit growth going in this year as well as in coming years.

Now, I'm moving to Rohit ji's questions, we acquired AllyGrow, can you talk about business? As I said, it's mobility and as I said it's predominantly - I wouldn't say predominantly, but the large being interiors, second being vehicle integration, and third being exteriors. Next question he has asked is can you talk about growth plans of AllyGrow over the next one or two years? We just mentioned in normalized margins, yes as we move more towards international market, we will start seeing more stable margins and less fluctuations. What kind of growth we see? As mentioned, double-digit growth from both the businesses should be doable from

where we sit today. Who are our competitors? Again Tata Technologies, L&T, Onwards, I'm just repeating whatever I said earlier. What valuation did we acquire AllyGrow? We acquired AllyGrow at 68.07 CR out of this 12 CR was paid in cash, the rest all was equity, and that's what the Fund House you are looking at because of their end of life, they're selling them.

Can you share current order book and which are the top 5 - top 10 clients? Current order book, I think Rahul answered that question. It's a very healthy order book. We are covered for all the growth we are envisaging for the current year and the years to come. Top five customers, as you would expect the topmost clients, they will be Government of India and State Governments in India's. second largest being General Motors, third being Grammer, and fourth being Caterpillar, and many other in that line.

Revenue from key geographies, I would say 60% from India, 20% from US, and 20% from Europe, that would be the revenue breakup. What are the key drivers? It's a deep domain understanding on GIS and that's from internal. From the externals, as I mentioned the customer relationships which have been established are on a very, very long-term deep understanding basis that's why we believe that will continue to span out positive for us.

Rohit ji's next question was seasonality of our business and with Q4 being big quarter, I think the answer is quite obvious because Government entities want Q4 to be cleaning up all their yearly projects, our Q4 typically tends to be the most positive one and that Government business being the largest contributor in our total revenue, that's why we see Q4 always being better.

I believe we have addressed all the questions which we received. Now, couple of questions which were asked during the meeting, Amita ma'am has already answered, in terms of financials what has happened. We also discussed about cross capabilities and what the benefits of why we get AllyGrow Ceinsys together? What is the benefit between automotive and GIS in long-term future. We have addressed margin variability. One of the questions was why the growth has been muted? I think in terms of Ceinsys, I want to repeat except for COVID period, Ceinsys has been on a steady growth except for FY22-23. On AllyGrow also we have started seeing a good traction and a good growth, but because we do not consolidate JV revenue, we don't see that in the numbers, but do we productize business? Answer is yes, absolutely and Meg-Nxt is the first step in that direction that efforts will continue.

B2G business reduction I mentioned it, yes, we will continue to reduce our dependence on government and start moving more and more international revenue. Employee costs, ma'am has already answered. It's the nature of business whether we go from the project expenses or employee, as the mix changes more and more international, the project related expenses will come down and employee expenses will be in line with revenue in the near to mid-term future. I think with that, we have tried to answer all the questions whether we have received them in the e-mail or we have heard them on this call right now.

– **Mr. Abhay Kimmatkar - Managing Director, Ceinsys Tech Limited:**

One question I would like to take which I think Keshav has asked, its an interesting question about the new Geospatial policy what is the forays on that, so that needed to be answered, so Geospatial policy had recently been released from PMO and Government of India, so primary objective was to you know remove the or reduce the monopoly which government had on the data in India. Data was never a sovereign; now private players have been entitled or mandated or you know allowed to capture their own data and host it and publish in their own servers or whatever applications they wants to. So, lot of international players are now moving into India to capture data, to host the data here like the Googles or Meta or Apple of this world and then they will now try to tie up with Indian companies like us to really create those data. There were lot of developments happening on this, but next 2-3 years you will find that happening and then things will be really moving in those directions. Now, what we are seeing in the western world, India would be at par with them as far as the sovereignty and data capture will go. Thank you. That's my take on it.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

Thanks, Abhay. Thank you for covering me.

- **Ms. Pooja Karande - Company Secretary & Compliance Officer, Ceinsys Tech Limited:**

Thank you, all the respected directors and KMPs for answering the questions of the shareholders. Dear shareholders, thank you for joining our 25th AGM today and for taking time to participate in today's AGM. Members may note that voting on the NSDL platform will continue to be available for the next 30 minutes, therefore members who have not cast their vote yet are requested to do so. The Board of Directors has appointed CS Sushil Kawadkar Practicing Company Secretary as the scrutinizer to supervise the e-voting process. We had 55 members participating today in this 25th Annual General Meeting. May I now request, Prashant Kamat Sir to conclude the meeting.

- **Mr. Prashant Kamat – Chairman (Acting), Ceinsys Tech Limited:**

Thank you, pooja. The formal business before this AGM is now concluded and I declare the proceedings as closed. I hereby authorize Ms. Pooja Karande, Company Secretary to declare the results of the voting and place the results on the website of the company within 48 hours of conclusion of AGM. The resolution I set forth in the notice shall be deemed to be passed today subject to receipt of requisite number of votes. I once again thank each one of you for attending this AGM today and I wish you and your family members to stay safe and healthy. Thank you very much and have a great day.

- **Note:** The meeting concluded at 1:27 PM IST. (including the time allowed for e-voting after the AGM).

End of Transcript