

9th Annual General Meeting
TAAL Enterprises Limited
26th September, 2023

- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**

- NSDL team, since everyone has joined, so we can start?

- **Tech Support:**

- Yes.

- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**

- Okay, thank you. Good afternoon, ladies and gentlemen. On behalf of the Board of Directors of TAAL Enterprises Limited, I Priya Chouksey, Company Secretary of Company, welcome you all to this 9th Annual General Meeting held today on 26th September 2023 at 12 noon through video conferencing and other audiovisual means.

- I request Mr. Salil Taneja Sir, Chairman of the Board, to take the chair of this 9th Annual General Meeting. Over to you, Sir.

- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**

- Thank you. Dear shareholders, a very good afternoon to you all. I, on behalf of the Board of Directors, welcome all of you to the 9th Annual General Meeting of TAAL Enterprises Limited.

- Before starting, I'd like to introduce you to my colleagues on the VC. I would request each member to acknowledge themselves when I introduce him or her.

- Mr. Shyam Powar, Independent Non-Executive Director and Chairman of the Audit Committee.

- **Mr. Shyam Powar, Independent Non-Executive Director, TAAL Enterprises Ltd:**

- Thank you, Salil.

- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**

- Yeah. Hi, Shyam.

- Mrs. Deepa Mathur, Non-Executive Women Independent Director and Chairman of the Stakeholders Relationship Committee.
- **Mrs. Deepa Mathur - Non-Executive Women Independent Director, TAAL Enterprises Ltd:**
- Hello, good morning. Good afternoon.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Mr. Arvind Nanda, Independent Non-Executive Director and Chairman of the Nomination and Remuneration Committee.
- **Mr. Arvind Nanda, Independent Non-Executive Director, TAAL Enterprises Ltd:**
- Good afternoon to you all.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Mr. Sudish Kumar Kuttappan, Chief Financial Officer of the company.
- **Mr. Sudish Kumar Kuttappan - Chief Financial Officer, TAAL Enterprises Ltd:**
- Good afternoon everyone. Sudhish here.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah, and we also have with us Mr. Abuali Darukhanawala V.P. Thacker and Co., Statutory Auditors of the company. Mr. Satish Kole, Practicing Company Secretary, the Secretarial Auditor and the scrutinizer for this Annual General Meeting.
- I now request Ms. Priya Chouksey, Company Secretary, to brief the members.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you, Sir.
- The Ministry of Corporate Affairs and the Securities and Exchange Board of India vide their respective circulars have allowed company to hold the AGM through video conferencing or other audiovisual means during Calendar Year 2023.
- Further, as for the said circulars, the companies are permitted to be dispensed with the requirement of sending the physical copies of Annual Report to the shareholders.

Accordingly, the Annual Report of the company for FY2022-23 have been sent by electronic means to all those shareholders who email IDs were registered with the company or depositories.

- Now, few instructions about the e-Meeting. Members who have not voted during remote e-Voting period may cast vote electronically during the meeting. The e-Voting will end 15 minutes after the conclusion of this AGM.
- All members have been kept on mute. Shareholders who have registered as speakers will be unmuted once their name is called. We will respond to the queries received in due course of the meeting. Speed and working of audio/video mode for joining the meeting by the members depend on your internet capacity.
- I now request the Chairman to kindly start with the proceedings. Thank you.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- I'm starting with the formal proceedings of the meeting now. I have been informed based on registrations received from shareholders for the e-Meeting that the requisite quorum for the meeting is present, I therefore call this meeting to order.
- Since the meeting is through electronic means, no proxies are allowed to attend the meeting.
- The company has received representations under Section 113 of the Companies Act, 2013 and the details are available with the scrutinizer.
- I would like to inform you that the statutory registers as required under the Companies Act, 2013 will be made available upon request of the shareholders.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- I now request the Chairman to address the shareholders.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thank you. Dear members, good afternoon. Ladies and gentlemen, I welcome you all to the 9th Annual General Meeting of TAAL Enterprises Limited. On behalf of the Board of Directors, I take this opportunity to thank you for taking the time to join the meeting today and for your continued support over the years.
- I will now take this opportunity to apprise the participants on the performance of the company in this year. I'm glad to inform you that the company is on a robust growth

path in terms of engineering, design capacities as well as capabilities. A fact that is also reflected in the revenues of the organization.

- During the year 2022-23, the consolidated income of the company was ₹167 crores as against ₹141 crores in 2021-22. The consolidated Profit Before Tax stood at ₹44.26 crores as against ₹46.60 crores in the previous year. During the quarter ended 30th June 2023, the consolidated income stood at ₹49.39 crores as against ₹36.79 crores in the same quarter the previous year. Similarly, the consolidated Profit Before Tax during this period stood at Rs. 1238.26 Lakhs as against Rs. 1062.20 Lakhs in same quarter the previous year. During the year ended 31st March 2023, the Board of Directors of the Company had approved the merger of TAAL Tech India Private Limited, A wholly owned subsidiary of the company with the effect from the appointed date of 1st April 2023. While the merger will lead to a simplification and rationalization of the overall organization structure, there will be no dilution in the share capital since it is a wholly owned subsidiary that is merging into the parent entity. As part of this process, TAAL Tech India Private limited has filed the requisite petitions before the National Company Law Tribunal Bangalore branch seeking its sanction for the merger. The process is presently in the final stages and the approval is expected to be received in Q3 of this financial year. The company will keep the shareholders informed about further progress in this regard.
- I would also like to inform you that the process of shifting of the registered offices of the company has been approved by the ROC and the RB and accordingly the registered office hence shifted from the state of Tamil to the state of Karnataka i.e. from the jurisdiction of the ROC Chennai to the ROC Bangalore.
- Finally, on behalf of the Board of Directors of the company, I express my gratitude to all our stakeholders including our shareholders, our employees, their families, our customers and our bankers for their continued support and encouragement. Thank you.
- The Annual Report and the notice convening the 9th Annual General Meeting would be attached through electronic means. With your permission, I will take the notice as read.
- Pursuant to the provisions of the Companies Act, 2013, there are no qualifications, observations or comments of auditors in the audit report of the company for the FY2022-23. Again, with your permission, I will take the audit report as read.
- I will now commence transacting business convened under notice dated 11th of August 2023. I request the company secretary to read out the proceedings.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you, Sir. As per the provisions of Companies Act, 2013 and SEBI Listing Regulations, the company had provided two modes to the shareholders for casting their

votes on the resolution set out in the notice convening the AGM. Remote e-Voting and electronic voting facility at the Annual General Meeting. The remote e-Voting facility was made available to all members from Thursday, 21st September 2023 9am to Monday, 25th September 2023 5pm through e-Voting portal of NSDL and the same has been closed. The e-Voting at the AGM is being made available to enable members who have not cast their votes through remote e-Voting to exercise their voting rights. The members may please go to the e-Voting website of NSDL and cast their vote.

- Since the AGM is being held through video conferencing and other audiovisual means and the resolution mentioned in the notice convening this AGM have already been put to vote through remote e-Voting, there will be no proposing and seconding of resolutions.
- The members who have already voted through remote e-Voting shall not be eligible to participate in the voting today. However, they can participate in the AGM.
- Mr. Satish Kole, Practicing Company Secretary, has been appointed as the scrutinizer of the meeting to scrutinize the votes cast through remote e-Voting and e-Voting during the AGM. Upon completion of e-Voting, the voting result will be declared within two working days based on the scrutinizer report and the same would be published on the company's website and uploaded on the website of BSE Limited.
- Now, I request the Chairman to continue with the proceedings.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thank you. Now, I would like to invite the shareholders those who have registered as speakers to ask their questions. The answers to all the questions will be provided once all the speakers have completed asking the questions. Thank you.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- I request the Moderator to unmute the mic of speaker on pronouncing their names. Mr. Rohit Balakrishnan.
- **Mr. Rohit Balakrishnan – Shareholder:**
- Hello?
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yes-yes, please continue with your question. Thank you.

– **Mr. Rohit Balakrishnan – Shareholder:**

- Hi. Good afternoon. So, I have sent my questions but for the benefit of everybody, I'll just sort of repeat them. So, Sir, just my questions are more on the lines of trying to understand the subsidiary TAAL Tech Private Limited. So, if you can share what is the, I mean, what business do we do there in terms of...I know you do engineering services but in what segment are you present? And are we strong on the mechanical side or on the digital side? And which industries and which segments do you cater to? I assume that Aerospace would be one of the big ones but just wanted to understand a bit more from you and if you can be a bit more granular in terms of the kind of industries that contribute in terms of our revenue.

- Also, if you can give us share of what is the revenue from product design and engineering services? What is our current order book and how has this grown over the last year? And what share of the top customers or Top 5 or Top 10 in terms of revenue they contribute and how has this evolved? And if you can share like in terms of the growth that we've seen, has this been from existing customers or have you got some new customers which has led to this growth? When we look at these numbers, I mean, the last two years have seen very good growth, so what is exactly driving those growth? Is it like some new customers we have added or we've gained wallet share from existing ones or some new areas or what is really driving this growth? And how do you see the growth over the next couple of years?

- And are we also present in the Defense segment? And if so, what is the revenue share and more importantly what do we do in that segment? If you can share about that.

- As you would sort of already sort of gleaned that my questions are more to understand the subsidiary which you are trying to merge. So, what is our sort of 3-4 year vision with this company? Can we sort of get to let's say ₹500 crores? Do you see this opportunity? And there are many other companies which are listed in the same space, so where, how do you stack? Let's say there is a company called XPO, LTTS, AXISCADES, et cetera who are also somewhat similar when we from the outside try to compare but I'm sure we would be different and we would sort of have our own stance. So, if we can talk a bit about that.

- When I, again, look at the margins of this company, again, very strong margins. However, we have seen it fluctuate between 20%-30%. I mean, obviously 20% itself is a very good margin, operating margin. So, there are no complaints on that but just want to understand two things. One, what enables us to earn such high margins? And two, why there are these fluctuations? Is it driven by the growth in the revenue and hence there is some operating leverage or some difference in product mix? So, if you can just maybe talk about that?

- And what are your hiring plans for this year and the next? And how do you see the revenue growth for this year and the next? And what are the long term growth aspirations for us as a company? You've mentioned that you want to sort of merge the company back to listed entity, it's already 100% subsidiary. But given that you're taking this step, I'm sure you have some bigger aspirations. So, would love to hear from you. So, that from my side, Sir. Yeah.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Sure. Okay, thanks. Thanks, Rohit. So, we'll take all the questions in the end and I'll try to come to all the answers. Yeah.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Yeah. Thank you, Sir. Now I will move to the next speaker, Mr. Hrishikesh Chopra.
- **Tech Support:**
- Mr. Hrishikesh and Mr. Hardik has not joined so far.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Okay. Okay, thank you, Sir. Since he's not present, I will move to another speaker, Mr. Ashwin Albert D'Souza.
- **Mr. Ashwin Albert D'Souza – Shareholder:**
- Hello? Am I audible?
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yes-yes.
- **Mr. Ashwin Albert D'Souza – Shareholder:**
- Good day to Mr. Taneja. I thank the management, the employees, the vendors and other stakeholders of TAAL enterprises for their efforts in the past year. I have a few questions and I think Speaker Number 1 kind of echoed some of those questions but just excuse me for the repetition, okay. I did share a list with you, with the Company Secretary prior. Yesterday. So, hopefully you would have had a copy but for the benefit of others, I'll just ask those on the call.

- What is the growth vision and targets that the company is setting for the next five years? And related to this growth vision, is the company setting the required KPIs to the senior management? And if you can throw some light on those KPIs, that would be great.
- Also, has there been any recent hires in the senior management specifically trying to augment our sales to main strengths so that we can get into new clients or geographies? Anything on that would help us.
- On the office space, I believe we are operating out of a single or maybe two offices. If you can just tell how currently the company operates. What is the current occupancy percentage of the existing capacity that we have? And are we looking at buying or leasing any additional office space or doing some CapEx in the coming year or two? Are there any plans on that? Updates will be appreciated.
- As per the Annual Report, consolidated Annual Report, we have approximately ₹83 crores cash bank deposits and mutual fund investment and also, we are getting approximately ₹30 crores of cashflow every year as per what I see in the statement. So, what are the plans to use this cash? Are we looking at any inorganic opportunities or for any CapEx? If not, I will request the company to look at maybe doing a buyback, okay, and return the excess unwanted cash back to the shareholders. The company can do its own calculations but I think ₹80 crores can be used to possibly buy out maybe 10% of the existing equity so that the shareholders or the remaining shareholders can be benefited by the increase in value.
- The next question, TAAL Tech Private Limited is been merged with the company. So, can you tell us what is the current status of that merger? At what stage we are in? What are the pending stages for the merger to be completed? And an approximate timeline when we think this merger would be finally consummated, okay?
- The next question on the company means basically I want to understand some consolidated numbers including the subsidiary for FY23. Like what was the total staff strength? What was the staff turnover i.e., the attrition, right? How many quits, how many hires? Is there any planned hiring plan for the upcoming quarters? If you have any details of what the hiring looks, like the hiring outlook, please elaborate on that. And also, the consolidated revenue per employee, right, are there any targets to increase that? And how is it versus past years?
- One thing I do see is, so for the next question I see that the company has about only 31 lakhs shares that are issued and the non-promoter share which is traded in the market is approximately 14 lakhs, okay. So, this is like very highly illiquid counter on the stock exchange. Is it possible for the company to look at possibly a stock split? One share currently trades approximately around ₹2000, a ₹10 face value. Can the management

look at maybe splitting it to a ₹1 face value share so that maybe the equivalent value comes to approximately ₹200 per share? Okay, just a suggestion.

- The final question, this is more of a request to management, okay. If possible at a minimum, please share a quarterly investor presentation with some of the important metrics of the company; the consolidated metrics, okay. Because we meet just once a year and it is very difficult to gauge how the company is performing, the direction and everything. So, at least the investor presentation if the management can do that will be really great. And if it is further possible, okay, I know I have asked this maybe in the previous years but it has not got fructified but just a reminder if a quarterly or half yearly conference calls with investors, if that can be done, that will be really excellent, okay. My objective is nothing but to increase the company's exposure to other investors. As of now because of the lack of sufficient communication, the exposure is not there, okay. One final request will be if the recording of this AGM, can that be shared on your website? I had done a similar request last year. I did not see it was completed, okay. I'll just request it again, okay.
- Thank you to the management for providing this opportunity and have a good day and a great year going ahead, okay. Thank you very much.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thanks, Ashwin. Before you end, what was your first question? I'm really sorry, I missed the first question.
- **Mr. Ashwin Albert D'Souza – Shareholder:**
- Oh! Okay. The first question was related to the growth vision and targets for the company. Has the company set any particular things, okay. Yeah, Thank you very much.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Sir, you can check the transcript. It is available on the website of the company for the AGM. Yeah, thank you so much, Sir.
- Now I will move to the next speaker, Mr. Rupesh Tatiya sir. Please proceed with your question.
- **Mr. Rupesh Tatiya – Shareholder:**

- Hello, Sir. Can you hear me?
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah.
- **Mr. Rupesh Tatiya – Shareholder:**
- Yeah, thank you. Thank you for the opportunity, Sir. Most of my questions have been asked by previous two participants. I just wanted some numbers. I'll repeat those questions. So, if you can give those numbers, that will be very helpful.
- So, if you can give me employee count as of today, as of the date of AGM, that'll be very helpful. And what is our hiring plan for FY24 and FY25? That is one.
- If you can give me your order book as on date or total contract value and the execution period of that order book; for which period will be executed?
- Then if you can give some flavor of customer concentration, what is our revenue from, you know, Top 3, Top 5, Top 10 customers that would be very helpful. Also, revenue split by geography. That is another number I'm looking for and also ticket size. What is our average ticket size of this kind of revenue like half million, 1 million or whatever number is there if you can give that, that will be very helpful.
- Then you have talked about the offshore IDCs and HBEC in your new website, by the way your new website is really good, Sir. So, I must congratulate you for that. It's a really well done job. So, how many offshore IDCs and HBECs do we have? And maybe if you can give some qualitative color on these.
- Also if you can split your revenue into six core segments. You talk about six core segments on your website, so if you can split your revenue into the six or whatever other our industry classification you want to give.
- So, these are the numbers that I'm looking for. And then my final question, Sir, is on margins. So, it looks like based on whatever I've seen on website and past Annual Report that we worked with either EPC companies in western world or we work with some specialty contractors in most markets and we provide design services. So, it doesn't look like we're working with, you know, end customer directly. So, despite this kind of setup how are you able to make, you know, these kind of margins? And if I broadly look at your competitors based on whatever you have said in past transcripts of the AGM, your competitors do not make these kind of margins. So, I mean, how do we

make such margins? If you if you can emphasize on that, that will be very helpful. So, yeah, these are my questions, Sir. Thank you. Thank you so much.

- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**

- Thanks. Thanks, Mr. Tatiya.

- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**

- Thank you so much, Sir. Now, I will move to the next speaker, Ms. Swecha Jain. Please proceed with your question.

- **Ms. Swecha Jain – Shareholder:**

- Hi, Sir. AM I audible?

- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**

- Yes. Yes, please go ahead.

- **Ms. Swecha Jain – Shareholder:**

- Yeah. Thank you for giving this opportunity. Sir, most of my questions have been asked by the earlier participants but I will still ask them. Sir, so obviously this is about the subsidiary TAAL Tech India Private limited, so if you could help me understand, you know, what is our business model, which segment do we typically cater to, who are our top customers, you know, in terms of segment and which countries do we cater to? Because I believe the majority of our income is from exports and also within India are we catering to the Defense sector? If yes, if you could, you know, give us the order book and what type of work we typically do for defense?

- And, Sir, since last 3-4 years our revenues in the subsidiary has been in the range of ₹100 crores-₹150 crores. So, you know, how do you think the growth will happen in this company? And what would be the EBITDA on a sustainable basis?

- The current order book if you could give us and typically, you know, what is the duration of the contracts? And are these contracts auto renewed?

- How many employees are there in TAAL Tech India Private Limited and from this how many are working offsite? And if you could help us understand the billing rate of employees who are working onsite and offsite and offshore.

- And also lastly, Sir, in terms of the merger timelines, you know, I think you did mention in your commentary by Q3 it should happen but if you could help us understand what is our plan, what do you think as a management or what vision do we have post-merger for next 3-4 years like midterm and long term where do we see ourselves post-merger?
- And, Sir, how many aircraft fleets do we currently have? And what are our plans about this fleet after the merger? And in the engineering services like in TAAL Tech, I think we do compete with a couple of other competitors, so if you could help me understand who are our key competitors in India and even abroad, Sir, that would be great.
- Thank you so much, Sir. Really appreciate this.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you, ma'am. Now I will move to another speaker, Mr. Yash Rajesh Tanna. Please proceed with your question.
- **Mr. Yash Rajesh Tanna – Shareholder:**
- Yeah. So, thank you for giving me this opportunity. Most of my questions have been asked by the previous participants, so I won't repeat that. So, probably just one question. So, the subsidiary TTIPL has ₹106 crores worth of current financial assets if I look at the Annual Report, consolidated Balance Sheet, so what is the nature of the same?
- And on the Trade Receivables side, they have shot up to ₹16 crores this year, which is substantial increase, so what would be the reason for the same? And on the employee cost, have gone up to ₹90 crores from ₹70 crores and I assume this might be for future contracts. So, just wanted to know our visibility probably for the next 2-3 years because we have hired these employees.
- And, yeah, I think most of the other questions are relating to the industry structure and the industries that we cater to, I think which the previous participants have asked.
- And, again, I request maybe that Mr. Ashwin asked for, if you could provide more investor communication on a quarterly or a half yearly basis that would be great. Thank you.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thank you.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**

- Thank you, Sir. Our next speaker is Mr. Keshav Garg. Please proceed with your question, Sir.
- **Mr. Keshav Garg – Shareholder:**
- I am audible?
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Yes, Sir.
- **Mr. Keshav Garg – Shareholder:**
- I'm a loyal shareholder from Pune and I'm interested in understanding the business and prospects of the company. So, I have mailed these questions as well and I'll just repeat them. Following brief list of my questions.
- What is the outlook for FY24 in terms of topline and bottom line?
- What kind of EBITDA margins are we looking at for FY24?
- What are the long-term steady state margins that we can expect?
- Why have the revenues failed to grow significantly over the FY19 numbers? When can we expect to grow ₹200CR revenue?
- What would be the growth drivers for the company going forward for the coming 2 to 3 years?
- What is the core business? Since the company stopped operating chartered flights, can you please share some light on Product Engineering businesses? Can you share the nature of Product Engineering business? Is it a recurring AMC kind of a business or an order by order kind of a business? What kind of pricing arrangements do we have with our customers? What are the duration of contracts?
- Who are our top five customers? What percentage of our revenues come from Top 1, Top 5 and Top 10 customers?
- Who are our main competitors? What percentage of the company revenues are from domestic market?
- Which would be a focus reason for the company going forward?

- We have ₹2.4CR of advances in standalone business, what are they for?
- How do we manage 85% plus margins in coal business? It mostly comprises 'Other Income', what is the nature of this Other Income? Can we expect the Other Income and standalone business to be recurring over the coming years?
- Why have traveling and visa expenses doubled year-on-year? Is the company planning to ramp up foreign business?
- Please throw some light on miscellaneous expense which have increased from ₹20 lakhs to ₹3CR.
- I hope you answer all of my questions. That's all from my side. Thank you and all the best.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thank you. Thank you, Keshav.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you, Sir. We have last speaker, Mr. Ayush Agrawal. Please unmute and ask your question.
- **Mr. Ayush Agrawal – Shareholder:**
- I hope I am audible.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yes, yeah. Please, go ahead.
- **Mr. Ayush Agrawal – Shareholder:**
- Good afternoon, Salil Sir. It's nice to speak to you again.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Same here.
- **Mr. Ayush Agrawal – Shareholder:**

- Sir, I have already sent in my list of questions. I'll just, you know, go through a few of them very quickly. I think most of it has already been covered.
- Sir, we categorize our business in three main categories- Plant Engineering, BIM and Product Engineering. Sir, if you can roughly tell us the split, you know, between these three segments? And within these segments, I think, Oil and Gas, Aerospace are our top industries and maybe a couple of others, so if you can split the revenues in terms of end user in industry as well, in terms of Oil and Gas and Aerospace and maybe a couple of other large industries that we cater to?
- If you can elaborate, you know, a little on the kind of services we provide in the Aerospace industry and also in the Plant Engineering side as well. So, if you can give a few examples in the Plant Engineering side, what exactly does Plant Engineering mean and what do we do there?
- And if you can talk about which segments will drive growth and what is driving growth in these segments?
- If any new capabilities we have added or large clients we have added in the last two years?
- And again, Sir, I mean margins is a question to all of us that, you know, why this margins and why are they sustainable?
- One of my question is on the Bim side, you know, U.S. Civil Infra push is very large. So, what exactly do we do in BIM? And what kind of traction are we seeing there?
- Final couple of questions is on the project size. You know, are we now winning large orders? What would be our largest project size we executed in FY23 and FY22? And as we, you know, see ourselves catering to larger customers, is there a chance that margins go down if we go for larger size projects and larger size customers?
- And, lastly, the employee addition that we foresee in the next couple of years?
- And are we thinking of any acquisition given the kind of cashflows we are generating and the kind of cash we already have on our books?
- These would be my questions, Sir.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Thanks, Ayush.

- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you, Sir. Chairman, there are no more speakers, requesting you to please continue with the proceedings.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Sure, thank you. So, you know, there are a lot of questions, I hope I'm able to answer all of them. Sudish, what I'll request you is, just if you can just keep track of my answers. Maybe if I miss out anything particularly with specific financial questions, you can just note them down and maybe you can help me answer some of them.
- **Mr. Sudish Kumar Kuttappan - Chief Financial Officer, TAAL Enterprises Ltd:**
- Sure.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah. I'll start off by giving you, you know, flavor of the company that Rohit asked as to what is the sort of break up? As our website, I think, we are specifically present in three areas, that's Product Design, Construction and Infrastructure and Plant Engineering and we have IoT as a horizontal that supports all these three verticals. Product Design covers all kinds of product design including industrial design, truck trailer, automotive and for us aerospace as well. Construction & Infrastructure is architectural work. Plant Engineering is work that we do mainly for EPC companies and where if an EPC company is designing a factory, let's say a refinery for example for an end client such as Shell or Chevron, they do the frontend design and a lot of the detail which will include implementation, civil, electrical, mechanical, piping; all these kinds of work will fall into that pot. I don't have the exact break up in terms of revenues between these three areas but perhaps Sudish this might have some better numbers, I'll ask him to share.
- We have about 60+ customers today. Business has grown in all ways actually. The number of customers have grown over the years and the business with each of the customers has grown as well. The businesses, as someone rightly mentioned, is largely export oriented. We have a little bit of business but it's very, very marginal. Today, the breakup is - 71% U.S. and Canada, 27% to Europe and 2% the rest of the world and the rest of the world also now includes Japan where we are trying to make an entry. We have made an entry but hopefully in the coming years that business in Japan as well as to some extent in the Middle East we are hoping will grow.
- Just give me a second. I'm just looking through all the questions here. Yeah, we do not do any work for Defense sector. I think some of this association is coming from our earlier parent company which was Taneja Aerospace and Aviation where we did

defense work. At TAAL Enterprises and its subsidiary TAAL Tech do not do any defense work.

- When will we reach 500 crores? I don't want to give any sort of forward looking statements but the company is growing well, we expect to retain the growth rate that we have. We have internal targets. We don't always share our targets with the external world because the reason we don't share a lot of information that you've been asking here as well, you know kind of granular details that we have in our because we are still a very small company in this segment. You've rightly mentioned there are the likes of AXISCADES, Cyient and all and the larger companies in this space.
- Why are the margins high? I think the margins are high because we have built the business in that way. I almost got worried because so many people asked questions on the margins, I get the sense that the margins are too high. The margins are high because we have been very collective about our choice of customers. We make sure that we get customers that will be profitable in the near term and in the long term as well. The reason the margin has been fluctuating a little bit is because, first of all, the business as it has grown in the last year, the onsite business has grown faster than the offshore business and the onsite business where we place engineers at the customer location that typically carries lower margins than the offshore business and our focus is always even if we start an onsite, mix the along with onsite, we try to build the business offshore. So, there may be some ups and downs in the margins but we hope that we will be able to smooth them out over the longer term.
- We have invested in sales team quite heavily in the last and we have also created a new marketing team. You'll see that a lot more posts on social platform, a lot more digital presence and that's because we created a small internal marketing team. All these have cost money and they will pay dividends in the longer term. But in the shorter term, they will have an impact margin. And I think this kind of fluctuation in margin in a smaller company of our size is to be expected. If we invest in growth the margins will dip, if we don't invest in growth the margins will be higher but then we will see drop in the growth rate. So, it's a balance that we have maintained.
- Growth vision of the company, I think, we've been growing well. We have set ourselves I'd say a fairly ambitious target for growth internally. We see opportunities for growth in all the segments we are present for a company of our size. We are very diversified in the businesses that we operate. This is both good and bad. The good part is that it hedges risks in particular sectors. The bad part is that there is always a recession in some sector that we are serving at any given time. So, we always see some ups, we see some downs. But I think it's a good strategy for the size where we are and we are able to figure out where the growth is happening and sort of put our focus there for the time being.
- I think there was a question somewhere. I don't know whether someone asked today but it was on the list whether we are present in the Automotive space. I would say that

unlike, let's say KPIT, we are not Automotive focused. I'm not saying that's a good thing. It's probably a bad thing but we entered the space late and we have found that it is for the time being better to focus on the business where we are already strong and the competition is not very severe.

- We have hired a lot of senior management. I don't want to go into the details but, yes, the number of people have been hired at senior levels, particularly in the sales side.
- On the office space, I think Ashwin asked a question. Office space, we have two offices. You're right, we have two offices. One is roughly 50,000 square feet, the other is about 14,000 square feet and we are pretty much full actually at this time. Both these offices are operating at capacity and we also have some amount of work from home.
- The use of cash, yes, your suggestions are noted. We will certainly put the suggestions to the Board of Directors and take a call.
- The status of the merger, as I said, Sudish, probably you can comment on this or I can request the Company Secretary to comment on this. Unfortunately, the exact dates are dependent on courts and hence it is not possible.
- The consolidated revenue per employee, there are roughly...Again, I'll request Sudish if you have more precise number but we are roughly 680 odd employees. And you can work out the revenue per employee yourself. Yes, we have hired a lot of people. That's also because coming out of COVID, attrition rates increased. All companies in this sector faced the challenge of increasing attrition and to combat that we hired a lot of Graduate Trainees and trained them and that will have a very positive impact in business going forward. But in the near term and short term, it has an impact on utilization rates and also to some extent on margins. But, again, we see these Graduate Trainees in whom we are investing, these training efforts as an asset for the organization.
- The stock split, your suggestion is taken. We'll certainly consider it and certainly consider all the other suggestions made by you, Ashwin, as well. As I said, we try not to share too much granular details not because we don't want to share that information with our shareholders. Our shareholders are the owners of the business but we feel that some of this information can be used against us by our competitors.
- The order book, I think, Mr. Tatiya asked what is the order book? We don't have an order book per se. We have Master Service Agreement with most of our customers and particularly with the larger customer and under the Master Service Agreement we get purchase orders which are sort of short term and they keep rolling. But we don't have a long term order book that I can quote and say that we have an order book for two years or three years or one year. We don't have that kind of system. But what we have, we

have a set of very reliable customers with us and we know that the business will be there but we don't have what you might call an order book.

- There's a question on customer concentration. I think I have the answer somewhere. Sudhish, you have it with you? Yeah, so Top 1 customer, Top 5 customers and Top 10 customers respectively the revenue is 13%, 43% and 60% which means the top customer gives us 13% revenue, the Top 5 customers give us 43% revenue and the Top 10 customers give us 60% revenue. What this doesn't tell you is, of course, that there are other customers down the line who believe have the potential to become Top 5 or Top 10 customers.
- Revenue split by geography, I think, I already dealt with this.
- The average ticket size, I'd say half a million dollar, quarter million dollars, \$1 million customer is a large customer for us. Half million dollar customer is also a good customer for us. I hope that gives you some sense of, you know, what kind of contracts we have.
- Someone mentioned, I think Mr. Tatiya mentioned, that we do not work with end customers or we do work with end customers. This is not really true. In the EPC, in the Plant Engineering space where we work for EPC company, we don't work for end customer. The end customer in that space is called an owner or operator. Shell, Chevron Chesapeake these would be owner operators, we don't work with them. We work with the EPC company that works with the end customer but that is not true in the other segments of the business typically let's say in Product Engineering we work very much with end customers, in the CIF i.e. Construction & Infrastructure, again, we work with end customers who may be making a building. But, again, we may not be working with the client that is the company that owns the building, the owner operators of that building. So, it's a tough question to answer specifically.
- The subsidiary, I think Ms. Jain asked this question about our subsidiary. The subsidiary is the business that I'm currently talking about; the parent company. And I think you asked how many aircraft do we have. We do not have any aircraft currently and the entire business or that you might call rests in the subsidiary of the company. That's one of the reasons we are looking to merge TAAL Tech Private Limited into TAAL Enterprises because that we believe will simplify the business operating structure of the company since there is no specific business now in TAAL Enterprises Limited.
- Who are our competitors? Our competitors, there are a lot of foreign companies in the Design Engineering space, particularly in Germany and France and, of course, there are Indian companies like Cyient, WES, AXISCADES, KPIT although we are not in the automotive space but they are in a very similar space.
- How is our business is different from its customers? To be perfectly frank, it is not different. We are in the same business. We are a smaller company compared to some of

these organizations but we are very much in that business and what we need to do to more in future.

- Why have the receivables gone up? The receivables actually have gone up because the sales have gone up. The employee costs have gone up because we have recruited more people. We as a company recruit people against an order book lined. So, we don't try to create a bench in advance. Now, this is slightly different from what I said earlier where after COVID we recruited Graduate Engineers. That we continue to do, rather than that we actually recruit against orders that are either confirmed or where we feel there's a very high chance of that particular order getting confirmed.
- So, someone said we have ₹106 crores of financial assets where are they invested? There is ₹21.5 crores in investments, there is ₹34.8 crores of trade receivables, ₹18.5 crores of bank balances, ₹24.5 crores of fixed deposits and there is what we call unbilled revenue means the work we have done for clients, which is yet to be get to be invoiced, and that is about roughly ₹7 crores.
- I think I have covered a lot of the questions that were asked. Sudish, anything that I missed that you want to pick up.
- **Mr. Shyam Powar, Independent Non-Executive Director:**
- Sir, there was a question on the fleet or aircraft fleet. I think you may want to clarify that bit.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah, Shyam. I did mention that we don't have aircrafts. We had one aircraft and we don't have an aircraft anymore. So, there is actually no aircraft operations at all.
- **Mr. Sudish Kumar Kuttappan - Chief Financial Officer, TAAL Enterprises Ltd:**
- Yeah, Sudish here. I think I want to give some clarity on the revenue share of each SBU what we have.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yes, please.
- **Mr. Sudish Kumar Kuttappan - Chief Financial Officer, TAAL Enterprises Ltd:**

- 45% of the revenue is coming from Product Engineering, which includes Aerospace, 35% from Plant Engineering and 19% from BIM services and 1% coming from the embed IoT space. So, that's our revenue mix.
- And on the employees, currently we have 690 employees. Out of that, around 80-85 people are outside India, the remaining are in India.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah, thanks, Sudish. I had forgotten that. Yeah, 690 you said right?
- **Mr. Sudish Kumar Kuttappan - Chief Financial Officer, TAAL Enterprises Ltd:**
- Yeah-yeah.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah. Okay
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Sir, for merger I would like to update you that TAAL Tech India Private Limited has duly filed the requisite petition before the National Company Law Tribunal, Bengaluru bench seeking its sanction for the merger. The merger is pending before the bench for their final approval. Final hearing for the merger is on 8th November. We will get the order after the hearing, approximately 3-4 months.
- And, yeah, transcript of AGM will be uploaded on the website of the company.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- Yeah, thank you.
- **Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:**
- Thank you.
- **Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:**
- I hope I have been able to do justice to the questions that were asked. If there are still pending questions, please do send them. You know, it's difficult to answer each and every question, as I said.

- Now, coming back to the business of the meeting. The members who have not yet voted, may now cast their vote. I request the scrutinizer to submit his report in order to declare the result of the voting within two working days of the conclusion of the AGM to the Stock Exchange and we share the same on the company website.
- This concludes the business of the meeting and I thank all members present for attending the meeting and casting their votes. I now declare the meeting as concluded and thank you all very much for your active participation.

(Thank you said by all the present Board members and management team)

- Mr. Salil Taneja - Chairman, TAAL Enterprises Ltd:

- Thank you, everyone.

- Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:

- Thank you.

- Tech Support:

- Dear everyone, e-Voting time is at 12.51. It will be there till 1.06. The voting lines are open for that.

- Ms. Priya Chouksey - Company Secretary & Compliance Officer, TAAL Enterprises Ltd:

- Thank you.

END OF TRANSCRIPT