

## **Rossell India Limited**

### **Mr. Nirmal Khurana**

Very good afternoon, dear members and respected Chairman Sir and other directors of my Company Rossell India Limited. I Nirmal Kumar Khurana, Director, Finance and Company Secretary of the Company, welcome you to the 29<sup>th</sup> Annual General Meeting of the Company being held through Virtual platform. I am located in the registered office of the Company at Calcutta where the AGM is deemed to be held. Since the Quorum is present, I would request the Chairman sir to call the meeting to order.

### **Mr. Harsh Mohan Gupta**

Thank you, Nirmal. Good afternoon members. My colleagues on the Board, distinguished ladies and gentlemen, I'm Harsh Mohan Gupta, Executive Chairman of Rossell India Limited and presiding over this AGM from my office come residence in Delhi.

It gives me immense pleasure to welcome you all to the 29<sup>th</sup> AGM of Rossell India Limited being held through video conferencing facility. It is our 4<sup>th</sup> virtual AGM and we thank you for your virtual presence and wish for you all good health and happiness. We are also grateful for your continued support, which is essential for the success of your Company. Since the requisite quorum is present, I hereby call the meeting to order.

I would now call upon my colleagues on the board, one by one, who have joined us through video conferencing from different places, to introduce themselves, starting with the independent director, Miss Nayantara Pal Choudhury.

### **Ms. Nayantara**

Namaskar, good afternoon, everyone. I'm Nayantara Pal Choudhury, Independent Director and chairperson of the Nomination and Remuneration Committee and the CSR Committee of Rossell India Limited. And I'm joining this AGM from my business office in Kolkata.

Thank you. Mr. Krishan Katyal, please unmute yourself.

### **Mr. Krishan Katyal**

Good afternoon, everyone. I'm Krishan Katyal, Independent Director and Chairman of the Stakeholders Relationship Committee of Rossell India Limited. I'm joining this AGM from the registered office of the Company at Kolkata. Thanks.

Thank you. Mr. Rahul Bhatnagar.

### **Mr. Rahul Bhatnagar**

Good afternoon, everyone. I'm Rahul Bhatnagar, Independent Director and Chairman of the Audit Committee of Rossell India Limited. And I'm joining this AGM from my residence in Noida.

Thank you, Mr. Rahul Bhatnagar.

**Mr. Rishab Mohan Gupta**

Good afternoon, everyone. I'm Rishab Gupta, Director of Rossell India Limited and I'm joining this meeting from a hotel in London. Good afternoon.

Thank you. Thank you everyone. We also have with us Mr. Pinaki Sarkar, partner, M/s. Khandelwal Ray and Co. representing the Statutory Auditors and Mr. A K Labh, the Secretarial Auditors of the Company.

I now call upon Mr. Nirmal Khurana to brief on the meeting formalities. I'm sorry to interrupt, but Mr. Ajay Shukla is having difficulty to log in. So, Girish could you please help Mr. Shukla to join the meeting, please? And we can continue that. Sorry. Nirmal, please continue.

**Mr. Nirmal Khurana**

Yeah. Thank you, Sir. In compliance with MCA and SEBI circulars, this 29<sup>th</sup> Annual General Meeting is being held virtually. The members are advised that the facility of participation at the AGM has been made available on a first come first serve basis. The instruction for joining the AGM and for voting during the AGM have been mentioned in the notice calling this AGM and also displayed on the website of the Company. Once the question-and-answer session starts, we shall 1 by 1, announce the name of shareholders who have registered themselves as speakers. Thereafter the speaker shareholders will be unmuted by us. The speaker shareholders are also requested to unmute themselves and switch on their cameras during the time made available by NSDL.

The speaker shareholders are requested to restrict their questions to a maximum of three minutes. We already have 15 speakers and therefore anymore speakers are not allowed by NSDL. Since the meeting is held through video conferencing, the facility of appointing proxies have been dispensed with. I now call upon the Chairman Sir to address the members.

**Mr. Harsh Mohan Gupta**

Thank you. This is the 29<sup>th</sup> year of your Company is working. Your Company has achieved the turnover of rupees 348 crores in the financial year 22-23 as against these 292 crores in the preceding financial year, the EBITDA of the Company is 56.47 crores as against 49.08 crores excluding extraordinary item in the preceding year. The profit after tax is Rupees 27.37 crores, whereas it was Rupees 23.17 crores in the previous year.

This has been possible due to the satisfactory performance by both the divisions of the Company, Rossell Tea and Rossell Techsys. Having established ourselves over the years as a reputed and recognized producer of quality tea, we believe it is an opportune time to grow our Tea business by acquisition of Tea Estates. At the same time, Rossell Techsys is on a growth path and in the years ahead, we expect continuous growth in the Aerospace and Defense business, though as a separate independent Company.

Before I take up the formal agenda, I would like to review the performance of both the divisions separately for the financial year 22-23 and apprise you about the prospects for the current financial year 23-24 as we foresee it. I shall start with Tea which has been our core competence since the inception of the Company and in days ahead we shall again be in the Tea business only. The performance of Rossell Tea Division during the fiscal 22-23 has been exceptionally good. Our own prop production was 51.99 lakh Kgs as compared to 48.88 lakh Kgs in the previous year, an increase of more than 6%. Sourcing of bought leaf has been steadily increasing year on year and this is continuing to contribute to the top and bottom line of the Divisions financials.

Over the previous year, production from bought leaf has increased by 42% from 3.25 lakh Kgs to 4.61 lakh kilos. We expect to scale this up to 5,00,000 kilos this year. Due to the turmoil in Sri Lanka in 2022, the Tea production was impacted which led to shortage of orthodox teas in the global market. This resulted in high prices for orthodox teas. As your Company has the flexibility, we capitalized on this and maximized our orthodox production to garner higher returns. The market for CTC Teas was marginally lower than the previous year on the backdrop of higher production. Rossell Tea continues to be the quality benchmark and leader in both the orthodox and CTC categories with our price realization being one of the highest in the industry. In the orthodox category, our average was rupees 302, while the Assam district average was rupees 283.

This realization of rupees 302 is rupees 52 higher than the previous year. Our CTC Teas sold at an average of rupees 284 in comparison to the Assam District average of rupees 225 in the previous year, our price realization for CTC was rupees 292 in the year 22-23, Our average price realization of ₹290.32 paisa per kilogram has been the highest ever achieved by Rossell Tea. Exports to UK, Germany, Russia, UAE, Saudi Arabia and Canada was 6.34 lakh kilos compared to 6.83 lakh kilos in the previous year.

To a certain extent, the exports have been impacted due to the inflationary pressures in some countries resulting in lower demand of consumer products. The income for our Tea business was rupees 169 crores as compared to 146 crores in the previous year and PBT was rupees 25 crores as compared to 21 crores, without considering the extraordinary income. The Tea division recorded its highest turnover in the year 22-23.

Now I would like to advice about the prospects for the current financial year 23-24. Iran, the largest importer of orthodox teas from India, is reeling under sanctions imposed and inflation has sky rocketed there to around 50%. Exports from India are likely to be much lower this year, particularly for the orthodox variety which relies heavily on Iran. This is leading to much lower prices for orthodox teas, which has prompted us to produce less volumes of the same. CTC exports too will be less as the price levels of African teas are much lower.

For the current year 23-24, the season started off very well in March, April and May. The first two weeks of June were extremely hot and dry with temperatures soaring to 40 degrees, while the next fortnight was wet and overcast, with some places experiencing flooding. The inclement and extreme weather in June has led to lower production. Tea exports are likely to be around 7-8 lakh kilos for the current year, which will be higher than the previous year's export of 6.34 lakh kilos. The depreciation in the rupee shall also help in bolstering the export earnings for the Company. Owing to the higher production of CTC in the early part of the year, the prices are marginally lower than last year.

However, with lower production in June, we expect the market to firm up. The Orthodox market is subdued due to the negligible offtake from Iran so far. However, recently some fresh orders have been placed though at lower levels. As your Company has the flexibility to switch production between CTC and Orthodox depending on market conditions, we have pushed up the production of CTCs to garner higher revenue and margins. The Assam Tea Industry Special Incentive Scheme 2020, which was earlier announced for three years till 31<sup>st</sup> March 23, has now been extended for another three to five years by the government of Assam. This will benefit the Tea industry in Assam in the following manner.

Firstly, the Assam Agricultural Income Tax holiday has been extended till the financial year 24-25. 60% of the profits earned in tea plantation is subject to agricultural income tax. No income tax shall be payable on 60% of the profits earned by your Company as all the estates are located in the Assam. This will enable your Company to plough back high post-tax profits for development projects.

Secondly, interest subvention scheme, which is provided under the Scheme as reimbursement of 3% Interest paid on Working Capital to Banks shall now be available for further 5 years till the financial year 27-28. This will reduce the interest cost to a great extent. Presently for the Tea business, the borrowing cost is 8% on working capital and it will reduce by 3% whereby the cost of borrowing for your Company for tea will only be 5%.

Orthodox subsidy, on orthodox production shall continue at rupees 10 per kilo till financial year 27-28. Your Company has dual manufacturing capabilities and will switch to higher orthodox production if the market conditions are favourable. All these incentives would help in reducing the cost of production and thereby improve upon the profitability of the Company. With the intent of replacing smaller tea states with larger ones which are more profitable and sustainable, we are actively scouting for larger states.

The borrowings have come down substantially and the division does not have any medium, or long-term loans. Hence, we feel this is the appropriate time to acquire 4-5 large Estates taking the production to 10-12 million Kgs.

The Board of the Board of Directors of the Company have approved the unaudited financial results for the quarter ended 30<sup>th</sup> June 23. The results can be viewed on BSE, NSE and Rossell India's website. The profit for the first quarter this year for the tea business is substantially lower compared to the first quarter of the previous year. The tea industry is seasonal in nature; hence the first quarter results should not be viewed in isolation. In the previous year, due to the turmoil in Sri Lanka, the orthodox prices for Indian tea skyrocketed and were abnormally high, though the average price for the year is expected to be marginally lower. This year the second and third quarter results are expected to be much better and your Company shall again exhibit results which shall be amongst the best in the sector.

Now I come to the Rossell Techsys, the performance of the Rossell Techsys has been extremely satisfactory. The supply chain has shown significant improvement. Rossell Techsys has posted a healthy increase in the revenue in the in the financial year 22-23, the operating profit has

grown by 18.4% from Rupees 26.2 crores to Rupees 31.1 crores. The profit before tax has also grown by 19.9% from 9.9 crores to 12.02 crores this fiscal. Rossell Techsys produced a total of 37,630 units in a single year and increase of over 10,000 units from the previous year. The complexity of products has grown significantly too.

All these deliveries go for major military platforms, for leading US based traditional equipment manufacturers, for the US government and for their foreign military sales commitments. Rossell Techsys was successful in expanding its capabilities into fibre optic harness and has already won its first order with the end customer being the US government. The division has also expanded its customer and geographic base with total customers exceeding 15 and geographies of Israel, Germany, Sweden and Belgium being added in the current year.

Rossell Techsys continue to deliver consistently high quality and delivery ratings, maintain its brand credibility of being uniquely different and refreshing to work with. The division has added significant new military platforms and products as well as expand its product base. In the commercial aerospace mode, the strategy of making investments in the initial stages of development or in source transition has been extremely encouraging in terms of long-term prospects.

The division has added close to \$200 million in strategic agreements with the period of performance of five to 10 years. On the human capital front, Rossell Techsys continue to maintain staffing levels, commensurate with its revenue and growth needs. It has focused on diversity and employment of people with disabilities under its diversity and inclusion initiatives, the diversity stands at 33% out of a total staff strength of 503.

It has been able to manage attrition without major impact to its capacity by focusing more on people agnostic process to address the impact of attrition. Rossell Techsys continues to maintain its leadership position in certifications that are crucial for operational excellence and covers diverse aspects from quality, environment, organizational, health and safety, information systems, risk management and ethical transactions. The Division is the only Indian Company to have 45 special process certified as part of its NADCAP AC7121 certification. Rossell Techsys continues its research and development recognition by the Department of Scientific and Industrial Research as an industrial R&D unit.

The division aims to invest in research and development initiatives alongside initiating the process of exploring external or government funding under the Make in India vision. With regards to the prospects for Rossell Techsys, the financial year 23-24 has every indication of being even better. In just the first two months of this fiscal year, the number of requests for proposals received are 25% higher than what was received in the first quarter of 22-23.

The number of customers that will be added further would be more than 30% in conservative terms. The division continues to receive opportunities in diverse areas in electrical wiring and interconnect systems, complex consoles, box fields, automatic test equipment, electrical panel assemblies and aftermarket product support services. The philosophy of risk sharing on the right opportunity and for new customers has had its rewards. This is provided to Rossell Techsys the opportunity to further enhance its skill and capability in electrical panel assemblies and systems integration.

The long-term outlook for Rossell Techsys is optimistic and further major investment decisions will be undertaken after the segregation of for Rossell Techsys Division is complete. These investments shall be able to tap the enormous potential by building more capacity and capability. The division has signed up with third party entities for providing expanded global sales support in Israel, Europe and the United States. It is expected that with these new relationships Rossell Techsys shall be able to make further breakthrough with more customers and in adjacent technology areas, domains and geographies.

The outlook for the current financial year 23-24 and beyond is extremely positive with enormous confidence that the division shall see significant growth levels. We also wait decisions on the various bids submitted in the last 12 months. It is expected that in the next coming months major decisions would be taken by the original equipment manufacturers. I'm pleased to advise you that for the Rossell Techsys division, the profit for this first quarter is high in spite of a slightly lower turnover.

Now coming to the corporate restructuring, as you know we are restructuring for Rossell India. I would like to advise you that you would have received notices for the general meetings convened as per direction of NCLT on 25<sup>th</sup> August 23 for approval of two different schemes. As per the scheme of amalgamation, the holding Company BMG Enterprises Limited shall amalgamate in your Company by way of reverse merger, subject to your and required regulatory approvals, with effect from 1<sup>st</sup> July 22, the appointed date under the scheme. Once the merger takes place, the shares held by the holding Company shall be cancelled and the same number of shares shall be issued and allotted directly to the individual shareholders of BMG Enterprises Limited.

This will result in the Promoter Group directly holding shares in the Company, which will lead not only to simplification of the shareholding structure and reduction of shareholdings, but also demonstrate the Promoter Groups direct commitment and engagement with your Company. This scheme shall have no financial implications on Rossell India as all the expenses for this exercise shall be borne by BMG Enterprises Limited and its shareholders.

As per another scheme of arrangement, your Company is being demerged when to Rossell Techsys Division of the Company shall demerge and vest in the newly formed Company, namely Rossell Techsys Limited on and from 1<sup>st</sup> April 23, the appointed date as per the scheme. At present, Rossell Techsys Limited is a wholly owned subsidiary of Rossell India Limited. Upon sanction of the scheme, it shall become an independent Company with all of you being its shareholders holding equity shares in Rossell Techsys Limited in the same proportion as you're holding equity shares in Rossell India Limited as on the record date, which may be determined by the Board in due course.

This demerger has been proposed by the Board considering the following advantages:

The merger will enable both Rossell India Limited and the Rossell Techsys Limited to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies. Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to the specific businesses.

Thus, each undertaking will have its own set of like minded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business. The merger will

enhance efficiencies and they have different business interests into separate corporate entity resulting in operational synergies, simplification, focused management, streamlining and optimizing of the group structure and efficient administration. Pursuant to the scheme, the equity shares issued by Rossell Techsys Limited would be listed on BSE and NSE and will unlock the value of the demerged undertaking. Further, the existing shareholders of Rossell India Limited would hold the shares of two listed entities after the scheme becomes effective, giving them flexibility in managing their investments in two different businesses having differential dynamics.

The proposed demerger shall also benefit all of you as valued shareholders, creditors, employees and all stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically. We look forward to meet you again and seek your valuable support to give your approval to both the schemes.

The annual report of the Company along with the Auditor's Report, Director's report and the standalone as well as consolidated financial statements for the year ended 31<sup>st</sup> March 23, along with the notice of the 29<sup>th</sup> Annual General Meeting was sent electronically to the members on 5<sup>th</sup> July 23 and necessary newspaper public notice was published in this regard on 6<sup>th</sup> July 23, pursuant to the regulatory requirements, With your consent, we take the notice of the AGM as received and read. The statutory auditors M/s. Khandelwal, Ray and Company Chartered Accountants and secretarial auditors M/s. A K Labh and Co., practicing Company Secretaries have given their unqualified opinion in the respective report for the financial year 22-23.

In compliance with Companies Act, 2013, the Company had provided remote e- voting facility through NSDL and voting was open for four days from 9:00 AM on 30<sup>th</sup> July till 5:00 PM on 2<sup>nd</sup> August 23. Further, pursuing to MCA circulars, your Company has provided the facility of e Voting During the course of this meeting, Members who have already cast their vote through remote e voting shall not be eligible to recast their vote through e Voting facility at the AGM. Mr. A K Labh from M/s. A K Labh and Company, Company secretaries in practice have been appointed as the Scrutinizer for the Process of Remote e Voting and e Voting to be conducted at this 29<sup>th</sup> Annual General Meeting.

We now take up the resolutions as set for in the notice dated 27<sup>th</sup> May 23. The notice of the AGM includes 8 agenda items, out of which items 1, 2, 3 are ordinary business that is adoption of accounts, declaration of Dividend and reappointment of Director retiring by rotation. Items 4 to 8 are special business which were necessary to be put forth in this meeting for the following-Reappointment of managing/ whole time Director, payment of higher remuneration to Executive Directors and ratification of remuneration payable to cost auditors for the financial year 23-24.

The text of the resolutions and the explanatory statements are provided in the aforesaid notice of the AGM. Before I allow the e voting to commence, we would start with the question-and-answer session. Members are requested to keep the questions brief. In order to avoid repetition, Management will answer the questions in the end. Now I request the Company secretary to call the speakers 1 by 1.

**Mr. Nirmal Khurana**

Thank you, Sir. The persons being called will be required to unmute himself and switch on his camera as advised by Chairman earlier on.

To start with, it gives me immense pleasure to invite our first speaker, shareholder Mr. Ayush Mittal. I would request him to unmute himself and switch on all your video. As a matter of fact, Mr. Mittal has already sent us a set of questionnaires to reply. But for the benefit of other shareholders, I would request Mr. Mittal to read out his questions quickly. Over to Mr. Mittal.

**Mr. Ayush Mittal**

Good afternoon, Chairman Sir, Rishab and Board of Directors and thanks for the opportunity, Sir. I would like to start with the request first Sir, as you know that we have been a long-term shareholder and we have been actively attending all the past agms in the last four years. And you may have noticed that we have already sent in a very detailed list of questions. So, we request you to take up each participant's question separately and not club them together. And at the end, so what happens is that it loses the essence and each shareholder brings a different perspective on the table. So, we also request other participants to also skip the questions that the previous shareholders have asked. So, this will only lead to a healthy discussion that a lot of good companies follow and given that AGM is the only opportunity where minority shareholders get to interact with the management and an opportunity to, you know, help us better understand the Company.

**Mr. Harsh Mohan Gupta**

Mr. Mittal, to the point you've raised, I would like to advise you in the intent in the interest of avoiding repetition, we will answer all the questions at the end or so ever be. Rest assured as we have received all your questions in advance, most of them are going to be attended to and will be responded.

**Mr. Ayush Mittal**

Sure, Sir. If I'm allowed to speak further.

**Mr. Harsh Mohan Gupta**

Yeah, please go ahead.

**Mr. Ayush Mittal**

Thank you. So, like you said, you have my list of questions, but I mean So what happens is that there are so many shareholders that you know they have different questions to ask. And in the past, we have seen that and I'm sure it's in the matter of like you know, interest for everyone that we answer each participant separately. So, if you can take that up, it will be very helpful. And I like I said, I request others to also not repeat the same questions so that it saves us all time.

**Mr. Harsh Mohan Gupta**

Would you please, please read out your question Mr. Mittal in the interest of time?

**Mr. Ayush Mittal**

Sure, I will do that Sir. We have been seeing a huge tailwind in the aviation sector and the last

agm we shared that we have a large order book of close to \$300 million. We would like to understand that you know what is the, what is causing the delay in execution and why are numbers broadly you know similar in the last 3-4 years. What is the execution timeline for this 300 million order book that we mentioned in the last year and what is the current order book we have? Have we won any significant orders in FI 23? Follow up to this is what percentage of order book is non-Boeing and what percentage of order book is non TWIS? Have we started seeing execution from the Red Hawk program and what kind of scale up do we expect in the next two years from the REDHAWK program? So next question is on the key developments in the last one to two years, we were working on developing new platforms in jet and helicopter space.

Have we made any progress there? We have also entered into the Build 2 specification segment and have developed products in the aircraft engine harness segment. How big is this opportunity and are these high margin orders? In the last stage, we mentioned that a European customer we got for test equipment were we able to win this order. How big is this opportunity here we are supplying to Honeywell and for which programs if you can mention what kind of scale up do we see for Honeywell and similar question for Lockheed Martin as well in the opening statement you mentioned that we have developed programs for the commercial aircraft segment.

So, if you can talk in detail about the opportunity in commercial aircraft segment and with what kind of capabilities are we entering this segment with? What kind of opportunity do we see with other new customers like you mentioned in Germany, Israel and Belgium, like IEI, SFC and Tele. How large can they be and what kind of products are we targeting them with? What kind of opportunity do we see in electrical panels? That was on the product side. So, third question is on our largest segment, AWIS. What we understand is that it's not the highly technical segment, at least from what we see from the outside as investors. So, if you can explain if that is true or not and help us understand about our technical capabilities of our offerings that we make to our customers.

We have spent roughly around 4 1/2 crores on R&D. Please tell us more about the R&D activities that we have taken. And we also see intangible assets of 8 to 9 crores. So, what are these for? So, what kind of turnover can the existing facility and employees then support? What kind of investments will we need to make to significantly scale up our turnover from here? We see in the demerger document that our inventory is roughly about 140 crores. This is very high and close to 0.8% of our sales. So why do we then have to maintain such high inventory and will this also continue going ahead? What kind of risk do we carry on, on this inventory given these are fixed price contracts? Were we able to localize mechanical components which were earlier imported from the US? How much of imported RM will be locally procured going ahead?

We have mentioned about 25% cost reduction due to localization. Can we see gross margins going up because of this? And if you can talk about a little about this activity that we have taken about localization and so what are the records to reduce inventory holding? We have a few bookkeeping questions Sir. We see a significant rise in advance from customers to 11 crores this year. If you can throw some light on this. And there are some new income tax disputes of 10 and a half crore roughly about that answer. Last question on T Estate is if we like you mentioned that we plan to take the production to 10-12 million kgs and given the quality of our tea, what do you think should be the value of our estates in your sense? So, these are my questions. Just last two remarks, one is on the you know resolution that we proposed to

pass on the director's remuneration where we plan to take directors remuneration Commission to 14% of net profits.

Sir, we feel that you know this is very high and even the government mandates 10%. We strongly urge you to reconsider this and this will not be seen as a good corporate governance practice on our behalf. Given that we are taking a significant step towards the demerger and given that you know promoters hold 75% of the stake, it will only be at their loss in terms of value creation. And 2nd Sir, given that we are taking this step of demerger its provide, it provides us with a wonderful opportunity to open up with the investors and interact more often with them through con calls and presentations. So, these are my humble requests and suggestions to conclude with and I look forward to your answers in details.

**Mr. Harsh Mohan Gupta**

Thank you.

**Mr. Nirmal Khurana**

Thank you, Mr. Mittal. I now request next Speaker shareholder Miss Celestine Elisabeth Mashcranes. She has not joined.

Mr. Sujan Modak to come forward and speak. Mr. Modak he's also not there Girish? Mr. Modak, are you present?

**Mr. Sujan Modak**

Yes, you can hear me?

**Mr. Nirmal Khurana**

Yeah, now we can hear you. Yes.

**Mr. Sujan Modak**

Respected Chairman, other Board of Directors. I'm Sujan Modak. I'm attending this meeting from my residence in Kolkata. Namaskar to everyone. Sir. Sir. Yes Sir. Sir. If we see the performance of our Company, this is a very decent performance, very nice. The way you are running it, I believe it is very, very good Sir. And Tea business has really grown a lot and you are you are in the plan of acquiring some new gardens also this is a very encouraging Sir. Sir, I have a few questions on the Sir. Rossell Techsys Sir, what is the order book in next 5 years you see and what are the key challenges you get Sir. And in this geopolitical conflict worldwide supply chain disruption, raw material cost skyrocketing. In this particular context, what is the guidance you give specially on the Rossell Techsys that with the investors community that how much it may affect by chance anything happens on the on the lower side. So, these are the questions and that the first person has already asked so many questions, it is all covered in that. Before I finish, I'd like to definitely thank our Company secretary Mr. N K Khurana and also Mr. Dipankar Das. They are. They are doing very nice job to the investor's community giving us all the details in proper time. Thank you. Over to you Sir.

**Mr. Nirmal Khurana**

Thank you Mr. Modak. May I request now our next speaker Mr. Ashit Kumar Pathak to come forward and put his questions. Mr. Ashit Kumar Pathak. Over to Mr. Pathak. Mr. Pathak, are you there?

**Mr. Ashit Kumar Pathak**

Yes, yes. Am I audible, Sir?

**Mr. Nirmal Khurana**

Yeah. Now you are audible. Yeah. Yeah. Please go ahead. Please go ahead. You are audible.

**Mr. Ashit Kumar Pathak**

Yes. Good afternoon, respected Chairman, Board of Directors, Company secretary and fellow members joining at 29th AGM of Rossell India Limited. My name is Ashit Kumar Pathak, joining from Dum Dum Kolkata. At first my extreme gratitude to our Company secretary Mr. N K Khurana for sending me the annual report and notice very well in advance and allow me to speak the excellent financial performance 358 crores Again 303 crores Sir. Take draw attention in finance cost because finance cost is higher 12,00,00,000 against 10,00,00,000 profit after tax slightly lower than previous year Sir. Tea segment is nicely achieved, 167 crores against 146 crores Sir. In current scenario this for some highlights any impact. Tea sector due to higher which cost raw material cost and lower in cultivation due to immense massive rain in financial year 24 and any initiative taken for uprooting old crop and good quality of crop. This is mostly many gardens and Sir, are we associated with work worker a recognized key exporter. And Sir please throw some highlights. Our export strategies mostly CTC which is highly in demand Russia and Iran. Sir please just I am sharing my thoughts. Our Company Rossell Techsys Limited ongoing in demerge process. So, this is I think this is the very good Company and contributing in our top line and bottom line and also very associated with Boeing, Lockheed Martin and Honeywell and contribute which contributes 85% of revenue in the Rossell Tea this also new OEM customers in on the pipelines. So, I think why my Company's management team strong decision for demands this unit. And Sir, please finally our Capex program next two three years, if possible, for some highlights because we are as a minority member always one reordering policy from our Company's management team and capital market appreciation. Nothing to say more. I pray to God, everybody, good health and prosperity in my Company. Thanking you, Sir.

**Mr. Nirmal Khurana**

Thank you, Mr. Pathak. Our next speaker is Mrs. Chandravati Gatani. May request Mrs. Gatani to come forward and speak.

**Mrs. Chandravati Gatani**

Hello.

**Mr. Nirmal Khurana**

Yeah, Mrs. Gatani, please go ahead. We can hear you.

**Mrs. Chandravati Gatani**

Very good afternoon to respected Chairman, Sir and other board member present in the meeting. I Chandravati Gatani, equity shareholder of Russell India Limited. Sir, First of all to thank you very much to our Secretary team to give me an opportunity to express myself and send a report timely in electronic form. And Sir, I support all the resolutions and congratulations Sir. Because awarded ET Bengal Corporate Award 2023 in the category for fastest growing organization between Rupees 100 to 500 crore. सर जैसे की आप के चेर्मन सर आपके स्पीच से जैसा, I came to know that our Board approves the merger of Defense Aerospace business into separate entity to part ship growth opportunity into separate line of business and the shareholder also of RIL also will get one share of new resulting Company, सर इसके अलावा आपका और कोई प्लानिंग हो तो kindly बताइयेगा।

and thank you very much, Sir.

**Mr. Nirmal Khurana**

Thank you Mrs. Gatani. May I request now our next speaker, Mr. Biswendra Narayan Kundu to take over and give his views over to Mr. Kundu.

**Mr. Biswendra Kundu**

Sir, can you hear me, Sir?

**Mr. Nirmal Khurana**

Yeah. Yeah. Yes. Mr. Kundu, go ahead.

**Mr. Biswendra Kundu**

Respected chairman, members of the board, fellow shareholders and friend, I am BN Kundu. At the outset, I would like to thanks the management for steady progress of the Company year after year. According to soft copy, the report presented to us has been very nicely prepared with all details. We the shareholders are very happy to see that you have maintained the dividend last several years under the great leadership Mr. Gupta. We are very happy to see that your PAT and EPS also in place. Congratulations sir. Sir, we feel that Rossell India Limited has a huge potential for growth and if the growth and if the Company grows, the shareholder stands to gain with higher dividend and more value for the shares they hold. Sir, one thing I'd like to know what is your road map next five years before I close, I convey my sincere thanks to the entire management and secretarial team for their help and support. With this observation, I'm closing here with thanks to all.

**Mr. Nirmal Khurana:**

Thank you. Mr. Kundu may now request our next speaker Mr. Tapas Kumar Dutta to come forward and speak over to Mr. Dutta.

**Mr. Tapas Dutta:**

Hello. Hello. Am I audible?

**Mr. Nirmal Khurana:**

Yes, Mr. Tapas Dutta go ahead. We can hear.

**Mr. Tapas Dutta:**

Am I audible?

**Mr. Nirmal Khurana:**

Yes, yes, please go ahead.

**Mr. Tapas Dutta:**

Respected Chairman distinguished. Board of Directors eminent KMP's and my fellow Shareholder sitting on this meeting. Hi myself Tapas Dutta and Equity Shareholder on Rossell India limited. Sir, if you question you are going to demand your business. I want to know why don't you prepare segment wise income and expenditure in this scenario, the segment wise income and expenditure is necessary so that we can evaluate every Company's business segment performance. Sir, Page 34, in terms of Techsys division R&D, Sir, why don't you show the previous in R&D, Sir, it is not comparable. We cannot compare this one with the previous one. Sir, Shareholding pattern, page 52. Percentage change of shareholding pattern is not known in this section. I want to know the percentage change of shareholding pattern in this case page 69. Such statement of particular for employees in these sections are total permanent employees is not shown. Total number of permanent employees in this section is shown normally but we have not shown Sir. Page 76, the Debt net worth ratio indicates it is deteriorating. Sir, please take care of it. The interest coverage ratio is also showing the dismal performance. It is deteriorating and you have to increase your operating capacity that is EVIT, page 127. You have shown the work in progress. I would like to know what have been brought forward and what have been capitalized in this case. Sir, with these few remarks, I would like to conclude I am on the way to my home at Santragachi station. Thank you, Sir.

**Mr. Nirmal Khurana:**

Thank you, Mr. Dutta, May I now request our next speaker Mr. Saket Kapoor to come forward and speak over to Mr. Kapoor.

**Mr. Saket Kapoor:**

Namaskar Sir.

**Mr. Nirmal Khurana:**

Namaskar

**Mr. Saket Kapoor:**

Thank you, Sir, for this opportunity Sir. First, we said thank you for adhering to investors request and for this value creation idea of demerging businesses. So that this will definitely create long term value for your investors. But Sir if you could give us some more colour as

Ayush ji has already articulated to the question. So, we would be hearing the answers more precisely from your end. But just love to understand Sir, what is the true potential that we can realize over the period of time in terms of revenue going ahead and how should this segment should shape up going ahead because over a period of time we have seen although having good order booking being in this segment, having entry barriers, but still said the bottom, the bottom line it is not commensurate to what the potential looks like.

I may be wrong in my statement, but correct me there to give us, give us some more understanding on how this evasive product segment likely to shape up and what are the stable margins that we can expect going ahead that for the key business I think so for this quarter in particular you mentioned about that they are not comparable with June 22 because of some abnormal price increase that we have seen last year. So, for Tea outlook, if I missed your point, you did mention in your opening remark that Tea looks stable for this year also and we would be able to generate similar numbers. But then what we have done last year. So please do repeat or happen again on how the Tea segment is going to be that taking into account the, the general practices or the things which are all shareholder friendly.

I think the conference call should we should the management should look forward for addressing investors if not on a quarterly visit, then on a six-month basis. So that our questions and suggestions are we are provided with a window wherein we can put forward our points and hear from the management of how things are shaping up. So kindly look into the request going ahead and deliberate on the same whether they derive a merit to be looked into or not. And give us some understanding, Sir, I repeat of how the segments, segments are going to shape up because they did the, the turnover what the potential looks like. So where am I missing the line, when is when are we going to move into order booking and the addressable market which you have mentioned? And other than that, these are the only point. And I would look to here when you answer the detail in detail the questions by Ayush ji and hope that the request for conference call and even press release or even business update on a quarterly 6-month basis will also suffice. So kindly look into the request and please let us know that that's all from my side and I wish the best to the team. Thank you.

**Mr. Nirmal Khurana**

Thank you, Mr. Kapoor. Our next speaker is Mr. Bimal Krishna Sarkar. Can I request Mr. Sarkar to come forward and speak now?

**Mr. Bimal Krishna Sarkar**

Hello, hello.

**Mr. Nirmal Khurana**

Yeah Mr. Sarkar, we can hear you.

**Mr. Bimal Krishna Sarkar**

haa Sir, very good afternoon, Sir.

**Mr. Nirmal Khurana**

Very good afternoon.

### **Mr. Bimal Krishna Sarkar**

Sir myself Bimal Krishna Sarkar equity shareholders of the Company.

सर मैं मेरा रेसिडेन्स कलकत्ता से बोल रहा हूँ। पहले मैं चेयरमैन साहेब ए के गुप्ता जी को मैं धन्यवाद देता हूँ। उन्होंने एक्सीलेंट प्रेजेंटेशन दिया है कंपनी का परफॉर्मेंस के बारे में। इसलिए उनको धन्यवाद देता हूँ। सर, हमारा आदरणीय एन के खुराना जी हमारा कंपनी सेक्रेटरी, सर उन्होंने चार होल्डर को साथ बहुत अच्छे रिलेशन रखते हैं और सब नोटिस वगैरह सब बहुत पहले ही भेज दिया है। सर खुराना साहब आपको बहुत बहुत धन्यवाद। सर देखिये क्या सवाल करें तो वो हमारा प्रीवियस जितना ही स्पीकर है, मुझे लगता है All question are already raised by them तो मैं ज्यादा क्वेश्चन नहीं करूँगा, सर ये सर Revenue from operation increase हुआ है सर Profit after tax ये marginally reduced हुआ है सर, इसका कारण मुझे लगता है material cost increase होने के नाते material cost के कारण ये marginally reduced हुआ है कोई बात नहीं सर आपने dividend दिया है सर मेरे एक ही सवाल है। पेज नंबर 138 नोट नंबर 39 Other expenses, sir Other selling expenses increased by 69.91% during the year 101,297 point 11,00,000. पर ये जो है previous year ये था सेवन ओनली 763.38 सर इतना एक्स्पेंस को कई इसके बारे में आप लोग थोड़ा हाइलाइट करेंगे। वो क्लेरिफाई करेंगे तो अच्छा रहेगा। सर CSR committee को धन्यवाद देता हूँ, उन्होंने excellent performance किया है। सर हमारा चेयरमैन साहब, गुप्ता जी आप और आपका पूरा टीम, कंपनी सेक्रेटरी खुराना साहब, employees of the Company, उपस्थिति shareholders, सब सुस्त रहे, ये ईस्वर से प्रार्थना करता हूँ। सर मेरे को बोलने का मौका दिया है, इस लिए धन्यवाद देता हूँ सर, Thank you very much खुराना जी और गुप्ता जी।

### **Mr. Nirmal Khurana**

Sarkar Sahab, Thank you very much for the kind words. Now, I request our next speaker is Mr. Lokesh Gupta to come forward and speak. Over to Mr. Lokesh Gupta.

### **Mr. Lokesh Gupta**

सर आप मुझे सुन पा रहे हैं?

### **Mr. Nirmal Khurana**

हाँ जी हाँ जी बोलिए

### **Mr. Lokesh Gupta**

चेयरमैन सर मैं लोकेश गुप्ता दिल्ली से आपका और सभी बोर्ड मेंबर्स का स्वागत करता हूँ। सर कंपनी के काफी समय से शरहोल्डर्स है, लेकिन ये प्लेटफार्म मिला है, जिससे हम आपसे जुड़ पा रहे है। सर. Sir excellent chairman speech हो रही थी जिसमें आपने कंपनी के बारे में सब कुछ बताया। उसके बाद फर्स्ट स्पीकर आयुष जी और उसके बाद साकेत जी। उन्होंने इतने क्वेश्चन पूछे, मैं नहीं समझता उसके बाद के शेयरहोल्डर लिए उसको कुछ पूछने के लिए बचता है सर। लेकिन सर आपने परफॉर्मेंस के बारे में बताया, आपका विश्वास है, भरोसा है आपकी लीडरशिप में कंपनी बहुत अच्छा करेगी। लेकिन सर हम एक डिफेन्स है एरोस्पेस में काम कर रहे हैं। मेरा एक सुझाव है एरोस्पेस में, डिफेन्स में काम करते हैं तो एक बहुत बड़ी फील्ड खुल रही है ड्रोन की सर, क्या हम भी वहाँ कुछ संभावनाएँ देख रहे है? सर बाकी एक सेक्रेटरीयल के बारे में कहूँगा जिसमे ये सब पहले वक्ताओं ने भी कहा। मैं भी कहूँगा सर मैंने जब भी उन्हें फ़ोन किया, किसी चीज़ की रिक्वायरमेंट हुई तो उन लोगों को हर समय मेरे पास अवेलेबल रहे। कभी वो फ़ोन पिक नहीं कर पाए तो उनका फ़ोन मेरे पास आया है। इसके लिए मैं उनको बहुत बहुत धन्यवाद

दूंगा और एक बार फिर धन्यवाद जो मुझे इस प्लेटफॉर्म पर जुड़ने का अवसर दिया। सर नेक्स्ट ईयर या आगे हम कभी AGM करते हैं अपनी तो इसी प्लैटफॉर्म को अपनाया, जिससे पैन इंडिया के शेयर होल्डर आपसे जुड़ पाए। थैंक यू सर।

**Mr. Nirmal Khurana**

Gupta Sahab, thank you very much for the Very kind words, Hamare Next speaker is Mr. Jaydeep Bakshi. May I request Mr. Bakshi to come forward and speak. Over to Mr. Bakshi.

**Moderator**

Sir, Mr. Bakshi not join the meeting.

**Mr. Nirmal Khurana**

Oh, Ok. So, we skip Mr. Bakshi and go to the next speaker. Next speaker is Mr. Goutam Nandy. Mr. Goutam Nandy, please come forward and speak.

**Mr. Goutam Nandy**

am I audible, Sir?

**Mr. Nirmal Khurana**

Yeah, please go ahead.

**Mr. Goutam Nandy**

Thank you, Sir. Good afternoon, respected Chairman, Board of Directors and my online fellow shareholders myself, Goutam Nandy from Kolkata, very old equity shareholders of the Company. At first, I like to give thanks to your secretarial department for sending me annual report and other necessary relevant papers through e-mail well in advance. So specially thanks to our respected Company secretary Mr. N K Khurana and his whole team of your secretary department for rendering good services to our minority shareholders. Sir, you are organizing your annual general meeting through video conference and I find it is a grand success. Sir, you are. We are very pleased to receive your wonderful annual report which is very attractive and also very informative, सर अकाउंट एंड परफॉर्मेंस का बारे में और तो कुछ पूछना ही नहीं है। आपने इतना सुन्दर describe कर दिया है आपका ऐन्युअल रिपोर्ट | So thanks again Sir.

Sir, I find good performance in every segment even in this challenging year. Now the situation is still very, very tough. Every Company is suffering still now. But I find in this pandemic situation in this challenging year, you are giving dividend to our minority shareholders. So, we are very happy Sir. Sir, your CSR is also very good. So please keep it up. Sir, I like to know what is your road map for the next three to four years. Sir, your shares present face value is Rupees 2 each. Is there any plan to split up again your share from Rupees 2 into rupee one each? Sir, may we expect bonus share in near future? Sir, are you launching any new product in this year? Sir, I am very proud to be a shareholder of your Company. I have full trust with

our strong management Sir. And so, I wholeheartedly and strongly support your all resolutions, not only me along with my family, I have casted in favor of you which I have already casted through my e-Voting. Sir, one thing Sir, I have requested for the hard copy of annual report. If possible, please send it at your earliest Sir. Sir looking forward with a positive outlook towards our Company with higher profit margin and some dividend, 1:1 bonus and return. May God bless you, Sir. Stay safe, stay healthy. Thank you very much.

**Mr. Nirmal Khurana**

Yes, Mr. Nandi, thank you very much. I assure you that annual report would be dispatched to u soon. We have got a couple of requests we are working on that. May I now request our next speaker Mr. Amit Kumar Banerjee to come to the dias and speak, over to Mr. Amit Kumar Banerjee.

**Mr. Amit Kumar Banerjee**

Good afternoon to everyone. Respected Chairman of the meeting, other board members, present myself, Amit Kumar Banerjee from City of Kolkata. Thank you for getting me connected and opportunity to speak such a wonderful meeting to be organized by your Company Rossell India Limited. Yes, it is our 29th annual meeting of the Company and just please hold on timing for the two meetings. Sir, as regards the performance is concerned. It is very good. Total revenue achieved around 357 crores in comparison with the last year 303 crores EPS also up 7.31. So, what are the growth prospect of the business currently you are doing? What is the key chain reason for lower profitability in spite of good turnover? Please share your views. Is there any plan for Tea tourism, what is your views? Shareholders rewarding policy and consider plant visit. I hope our Company will definitely grow up with better results. Thank you, Mr. Chairman. My name is Amit Kumar Banerjee over to you for further proceedings. Thank you.

**Mr. Nirmal Khurana**

Thank you. Mr. Banerjee, may I now request our next shareholder Mr. Yashvee Kothari. Mr. Kothari, please come forward and give your speech whatever you wish to say. Thank you very much.

**Mr. Yashvee Kothari**

Hello. Yeah. Am I audible?

**Mr. Nirmal Khurana**

Yes, yes, please go ahead.

**Mr. Yashvee Kothari**

Yeah. So, Good afternoon, everyone. Attending the AGM, I have a couple of questions regarding the Rossell Techsys Division. So, the first question is, would it be possible to give a segment wise breakup under the Techsys division between EWIS and the non-EWIS business? Then the next question is the employee cost bifurcation between our Tea and Techsys system. The 3rd question is that the annual report mentioned that large bids have been submitted to for

which other result will be announced soon. So, you could highlight the products that the bids are being catered to and the 4th question is what was the sustainable margin for the both the division, both the companies that is techsys division as well as the Tea division and what would be their target inventory days level and when will we expect to achieve them considering that the inventory days are very high as highlighted by the previous shareholders. Then my last question would be, are we receiving any advances from customer which would help us to manage our inventory better and humble request that as mentioned by other participants it would be, it would be good if you, you know come out with a quarterly presentation and contact con call so investors get more clarity throughout that would be it and thank you so much for the opportunity. All the very best.

**Mr. Nirmal Khurana**

Thank you, Mr. Kothari. Now we come to our last speaker Mr. Rajat Setiya. Mr. Setiya has also sent us a set of questions, but I would request him to read out those questions for the benefit of other shareholders. Over to Mr. Setiya, please take over.

**Mr. Rajat Setiya**

Am I audible?

**Mr. Nirmal Khurana**

Yeah, please go ahead.

**Mr. Rajat Setiya**

Firstly, good afternoon to the Chairman and the members of the Board. So, without any further due, I'll just get on to my questions. So, my first question is regarding the Rossell India Tea business and Demerger. What are the timelines for this demerger and what how much debt will go to the A and D division? Coming to specific questions related to our products, last year we had T7A trainer program in how much investments did we do for this project and 100 million value of this agreement that we talked about. Is that the revenues that will accrue to Rossell or is that just the tenure of this contract and how much is the tenure of that contract and who were the competitors in this tender? Another question I have is regarding the F16 platform for electrical panels. What is the overall revenue potential for the orders that we have won in the previous year? And who else from our competitors have similar order book? Other than that, given the increasing RFP's that we have, how much investments do we expect in this particular division in the F16 platform for electrical panels? And where will the financing come from? Debt or fresh equity funds from promoters or qualified institutional promoters, given the margin profile with the higher scale, do you expect the margins to improve from current level of 12%? And what will be the increase in margin given our product line? Thank you.

**Mr. Nirmal Khurana**

Yeah, we will allow Mr. Bakshi because he was not there at the time when I called him. Nevertheless, please allow Mr. Bakshi to join him. Over to Mr. Bakshi.

**Mr. Jaydip Bakshi**

Yes, good afternoon, Sir. Thank you, Sir, for giving me an opportunity to express my view. Sir, initial presentation completely depicted our Company's future and present situation and

Sir, kindly highlight on this orthodox production for the revenue growth and how do we counter this is facing challenges from the unorganized sector and regarding exposure, how we plan to increase and more footprints, what is our plan and program and what are our future prospects for Company and increase our shareholders value. Thank you, Sir for giving an opportunity and wish the Company all the best in the coming years. Thank you, Sir.

**Mr. Nirmal Khurana**

Thank you. Mr. Bakshi. Over to Chairman, Sir please.

**Mr. Harsh Mohan Gupta**

Thank you, speaker shareholders, for your questions. I wish to deal with some of the questions raised on the Rossell Tea or generally relating to the Rossell India Limited. Mr. Nandi asked do we have any plans to split the Company share from piece 2 to 1? No, we have no such plans. Then there was a question whether we deal with Vagh Bakri. Yes, they are a valued customer and they buy those to sell tea. Mr. Ayush Mittal, you had asked as to what would be the value of the Tea Estates. I mean difficult to say, but anywhere close to 300 CR would be the value of the present Tea Estates and we intend to further grow. Somebody asked about uprooting. Yes, it is a general practice in your Company that we each year uproot 1 to 2% of our total crop that is produced. old trees which are 100 to 120 years old are uprooted and young plants are planted. Now I would invite Mr. Rishab but to deal with the questions based on Aerospace and Defence business. Rishab.

**Mr. Rishab Gupta**

Thank you, Mr. Chairman. So let me start by saying Mr. Mittal, you had said that we have confirmed orders 300 million. There's a bit of a slight difference over there. We have strategic agreements for over 200,000,000 and we have a confirmed PO as on today for around \$60 million. The split between Boeing and non-Boeing is approximately 80% would be Boeing, 20% would be non-Boeing. The total then on the Red Hawk you asked has execution started? Yes, the execution has started. It's a bit slower than expected, but the numbers will increase over the years and the next two to three in the next two years we should be doing approximately in the range of three to five million U.S. dollars.

On the on the Red Hawk program for wire harnesses, we have a strategic agreement on the T7, the Red Hawk for close to 100 million. That depends, it's a strategic agreement. So, it completely depends how many aircrafts are sold to international customers and the USA force. So that will depend on the value of the contract specifically. But we're pretty hopeful that it should be in that range over the next 10 years. It's a 10-year strategic agreement going up to 2031. Yeah, we you had asked a question about test equipment if we got a breakthrough with the European customer. The answer is yes. The order is just under close to \$1,000,000 and that account should keep growing. So, we did win that order for Honeywell and programs. We have agreements, strategic agreements just under 40 million which need to be executed over the next four to five years.

We are doing wire harnesses at this point of time for Honeywell, but they're very niche harnesses which like RF APU's and engine harnesses. Honeywell is keen to develop Rossell into a special supplier and we're talking about a lot of built to spec programs. We've already

won a couple of built to spec programs with Honeywell which will take us up the value chain and increase our skill levels as well. We're doing a lot of urban and mobility platforms for them, advanced and mobility platforms. So, the skill levels required to produce those products are pretty significant. They're pretty high.

So, which is we're working on the C 130, the M860 and the Arrowhead, which is part of the Apache program. And we're also on the F16 with Lockheed Martin. Lockheed again is looking like a growing account, but in the near term IAI is a new customer that we have and Honeywell should be as big as Boeing in the near term, which is looking very, very positive. We have over 16 different customers as on today. So, we've been able to get inroads into lots of different companies in Germany, in Belgium and a lot of other European customers. A question was asked whether EVIS is not technical.

I mean that is not specifically true because it requires definitely a larger workforce or intensive works for or workforce, but it incorporates advanced skill and a lot of technical based on the type of harnesses we built. Like I mentioned for Honeywell, we're building semi rigid harnesses for RF which require intensive moulding and tooling skills. Also, the number of branches that we're doing on harnesses have increased. So that's again moving our capability higher into the electrical wire side. We've built a lot of really complex one wire harnesses for the Apache.

We're doing approximately 60% of the Apache as a single source and the target is to obviously increase that to 80 or 90% by getting into the really high skill wires that it takes. On the R&D side we invested in creating jigs and tools for in house needs for long term contracts like the T7 and the Apache. So that's where the money is being spent on the R&D side so we can get better efficiencies in the future. Our inventory levels like you mentioned is definitely high on today. We have close to 9 months of inventory but we did that to meet our customer deliveries and to ensure the supply chain was not didn't get hampered during the pandemic.

The overall goal of the Company is to reduce inventory levels from nine months to three months. It will take time but I think over the next 24 to 30 months that those levels should come down significantly. You're on your, so the end goal for inventory would be three to four months in the Company. We don't carry too much risk on the inventory as with all our supplies we have contracts with a termination liability. So, if any orders cancelled with the likes of Boeing, Honeywell or Lockheed, we are covered because then we get the termination liability for all the materials that Rossell has procured.

So, the risk on that is very negligible. We have successfully been able to localize not only mechanical components but electrical components too. So, what we do in new RFP's now is give a completely compliant proposal with the existing material being stated and then we give an alternate proposal giving local material where we can reduce the cost. It has to be approved obviously by the likes of the Boeings and the Lockheed Martins. But in lots of cases, we've been able to do approximately 25% of localization and cost reduction. To reduce our inventory, we're looking at different aggregations in the US, volume discounts and inventory holdings by different inventory manager management companies. That's being explored seriously and we should have some good answers in the next few months.

We do plan to raise money for inorganic growth. The vision of the Company is very clear. By 2030, we want to be a 2000 crore revenue Company. That'll happen in two different strategies. One would be obviously growing your existing capabilities in your existing business in test equipment and wire harnesses in aftermarket. But the plan is definitely to look at inorganic

growth by acquisitions and also getting to higher skill activities like system integration in the future where the profit margins would be higher and there's a lot of potential from the different companies we're talking to, especially in Israel and companies like Honeywell. I think I might think I've covered most of the answers. I'm not sure if I'm missing any questions. Mr. Chairman, would you like to add anything on what I've said? Because I think I hope I've been able to cover most of the answers in that sense.

**Mr. Harsh Mohan Gupta**

I said Rishab, if you have more answers, feel free to spend another 5-10 minutes, no issues.

**Mr. Rishab Gupta**

So, on the question, I can just give a basic understanding of where we're heading as the Company. I didn't mention we're looking at being a 2000 crore Company in the next 7 to 8 years. We're seeing a lot of prospects from our companies. I'm happy to say that with Honeywell and IAI at the end of 23-24 on our turnover, you will see a significant enhancement in other customers apart from Boeing, our revenues increasing significantly from Honeywell. We've got a breakthrough with IAI and they're looking very, very promising and I'm pretty confident in the next couple of years IAI and Honeywell should be as big as Boeing.

We're going to do a significantly higher revenue this year. It's looking very positive to have a good growth this year both on the top line and the bottom line. So, we're very confident on that. In the first quarter this year, we've already got confirmed deals of close to \$8,000,000 which around 65 crores, which is higher than last year. The number of RFP's that we received is 30% higher than last year. We're seeing a lot of potential and we've also given some significant bids also on the Red Hawk. We are targeting to do some more panels on the T7. The decision for that should be taken in the next month or so. So that's looking very promising.

We won an F16 panel contract for panels, which is enhancing our skill in panels. As on today, we were only doing a patch here, but now I'm happy to say we're on the F16 panels as well and fingers crossed, we shall be on the T7 panel soon as well. So even on the panel side, our skills are increasing. The profitability on the panel side is higher than the US side. It on the, you take approx. out of 15 to 20% margins on the on the panel side would go to 18 to 22 to 24. But then the reason of looking to system integration and those things is the profit margin increases significantly 25 to 30%. and then obviously on the services side where we're talking about aftermarket and product support services always have a higher profit margin. So, it's a, it's a two to three prong strategy that the Company has. Quality of course has always been the prime focus of ours and we're delivering to very, very high-quality standards, in fact one of the best in India, if not the best.

So on those fronts, you know I think we've created a very good reputation with our customers. There are different companies approaching us now for different works to be done and it's very promising, it's very bright and yeah, the future is looking very, very good for good for all of us.

**Mr. Harsh Mohan Gupta**

Thank you. Thank you, Rishab. Thank you everyone. I would now request the Members who did not cast remote e-Voting to cast their e-Vote now. The e-Voting shall remain open for another 30 minutes from now. At the moment it is 4:25 PM, so it will be open till 4:55 PM. The voting shall remain in progress for the stipulated period, all the items of business as per the notice calling this meeting and conclude thereafter. The results of the voting will be displayed in the websites of the Company, the stock exchanges as well as NSDL within two working days. I would like to thank you all for attending the meeting and for the cooperation extended. Since there is no other business to transact with the consent of the members, I declare this meeting as closed. Please stay safe and healthy. Nirmal.

**Mr. Nirmal Khurana**

Yeah. As Company Secretary, it is my proud privilege to give a hearty vote of Thanks to the Chair and to other directors for attending this meeting and making it a grand success. Thank you very much for all the shareholders for attending this meeting. Look forward to meet you again in the next general meeting which Chairman sir announced its on 25th of August, so please make a note in your diary and of course we look forward to meet you every AGM without any interruption of any nature. Thank you very much.