

## **TRANSCRIPT OF 61<sup>ST</sup> AGM**

### **Mr. Sharad Taparia, Managing Director**

Good morning to all.

I, Sharad Taparia, attending the meeting from Mumbai, extend a warm welcome to all of you at this 61<sup>st</sup> Annual General Meeting of the Company. The Ministry of Corporate Affairs and SEBI has allowed companies to conduct their AGM through video conferencing or other audio visual means without physical presence of members at the common venue. Accordingly, your company is conducting this meeting through video conferencing for the Third consecutive year.

Before we commence the proceedings, let me introduce my colleagues on the Board and other senior officials of your Company.

Today we have with us through Video Conference,

Mr. Rajeev Mundra, Independent director and chairman of the audit committee.

Mr. Kamal Binani, Independent director and chairman of the nomination and Remuneration Committee.

Mr. Girish Desai, Non executive director.

Mr. Mukul Taparia, Non executive director.

Mrs. Suniana Taparia, Non executive director.

Mr. Sukhmal Jain, CFO.

Mr. Arun Dash, Secretarial Auditor and Scrutinizer.

Mr. Karan Verma, Statutory Auditor

And Mr. Hemant Agrawal, Invitee

The Company Secretary informs me that we have a sufficient quorum of members participating through video conference. Accordingly, the meeting is properly constituted, and I call this meeting to order. I request Rachana, our Company Secretary, to read the arrangements made for the members at the 61<sup>st</sup> Annual General Meeting.

Rachana, over to you.

### **Ms. Rachana Rane, Company Secretary**

Thank you sir.

Good Morning all Board Members, Shareholders and Invitees, I Rachana Rane, Company Secretary of Permanent Magnets Limited attending this meeting from Thane, through video conference. I welcome all of you to the 61<sup>st</sup> Annual General Meeting of the Company being held through Video Conference and Other Audio- Visuals means as permitted by the Ministry of Corporate Affairs and SEBI. As the AGM is held through VC, the requirement for appointment of proxies is not applicable. I would like to take you through certain key points for participation in today's AGM. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL.

Shri. Sharad Taparia has been appointed as the Chairman of this Meeting. I would now request our Chairman to kindly take over and continue with the proceedings.

Thank You. Over to the Chairman Sir.

### **Chairman's Speech**

Good Morning Members,

On behalf of the Board of Directors and on my personal behalf, I welcome you all to this 61st Annual General Meeting of your Company.

I am happy to be addressing you through our annual report. This is a good opportunity for me to share more insights about our Company, Permanent Magnets Limited.

As you can see, we have expanded the scope of our annual report this year to give our shareholders a deeper understanding of our Company's business model, industry positioning and strategies, both long term and short term. I believe this will also be an excellent opportunity for me to connect with you better, and strengthen our relationship further.

The Annual Report together with the Audited Accounts and the Director's Report for the year ended 31<sup>st</sup> March, 2022 have been with you and with your permission, I take them as read. I hope it gives you a clear idea of the working of the Company during the year under review.

Before we take up the items as per the notice, I would like to share with shareholders the performance of our Company during the financial year 2021-2022, and the general outlook for the sector.

### **Performance Highlights**

To begin with, our topline for the last two years has not grown the way we expected it to grow, and a combination of factors is responsible for this. First, our business was impacted significantly due to the pandemic-induced supply chain disruptions, which were closely linked to some of our end-use industries which was facing the same issue. For instance, the energy meter sector faced severe heat on account of semiconductor shortages that led them to reduce their production, thereby making the demand for our product lesser or deferred. The second factor that impacted our top line growth is the downturn in one of our product categories – gas meters. This product was already nearing the end of its lifecycle, and headwinds changed our revenue mix as well. Earlier in FY20, the share of gas meters to our top line stood at roughly 18%, which in FY22 declined to a mere 6%. Product life cycles coming to an end certainly is not an unknown phenomenon however going forward, we need to be more aware about such changes.

Our Revenue from Operations witnessed a modest 13% increase year-on-year growth and stood at ₹133 Crore in FY22, while our PAT stood at ₹19 Crores, recording an 18% increase year-on-year. Our operating profit margin stood at 21% this year compared to 22% in FY21. Further, the size of our balance sheet has certainly increased in the last two years on account of the increasing working capital needs of the Company. Moreover, as a part of our risk management strategy, we now have a higher buffer of inventories for imported raw materials such as special steels and nickel alloys, among the other material.

### **Dividend**

I am happy to announce that the Board of Directors recommended Final dividend @ 12% i.e. Rs.1.20/- per equity share for the year ended March 2022. This is subject to approval by the Shareholders at the ensuing Annual General Meeting.

Details of the business performance have been elaborated in the section Management Discussion and Analysis of the Annual Report.

### **Business Outlook**

Our goal is to develop more products leveraging the technologies and capabilities as we advance, all the while making efforts to gain domain expertise in other technologies as well. The new products we are currently exploring include modules, casting, ZAMAK die casting, high-volume sheet metal forming, and wire winding and some others.

PML has strategized to expand its presence in the value chain - from being an only component manufacturer, the Company is now exploring projects in modules to capture a wider space in the value chain. In many product categories, a shift from components to modules can render an increase in the value of the product to a factor of up to 5-6 times on the initial component. At present, we are exploring projects in the shunts and soft magnet material product categories for different project stages. This move will help take us a step ahead in our journey and create more significant avenues for growth in the near future.

We sincerely believe that the best of our years are ahead of us, and PML is geared to harness potential opportunities and leverage its strengths to make itself an indispensable part of its ecosystem for our customers.

### **Acknowledgement**

In closing, I would like to share my sincere gratitude to all the shareholders, team members and stakeholders of PML. Your faith and trust in us have got us this far, and I am sure that it will take us to greater heights in the coming years to come. Thank you for all your support.

I now hand over the proceedings for the next agenda item to our company secretary Ms. Rachana Rane.

### **Ms. Rachana Rane, Company Secretary**

As required under the law, the Company had provided facility of remote e-voting to the Members to cast their votes electronically in respect of the business stated in the Notice dated 30<sup>th</sup> May, 2022. Members may kindly note that there are 5 (Five) Agenda Items for their approval.

Shareholders who have joined this AGM but have not cast their vote so far, can vote at this meeting. Before putting the resolutions to vote, I would like to brief you on the same.

Four items of Ordinary Business to be passed as ORDINARY RESOLUTION which are:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 along with notes and schedules thereon as on that date and the reports of the Board of Directors and Auditors' thereon.
2. To declare a final dividend of ₹1.20/- per equity shares, for the financial year ended March 31, 2022.
3. To appoint a director in place of Shri. Girish Desai (DIN: 01056763), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

One item of SPECIAL BUSINESS to be passed as SPECIAL RESOLUTION which is:

5. Re-appointment of Shri. Kamal Binani (DIN: 00340348) as an independent director.

The text of the resolutions along with an explanatory statement is provided in the Notice circulated to the members. With this All Agenda Items have been completed.

M/s. Arun Dash & Associates, Practicing Company Secretaries has been appointed as a Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.

The e-voting results will be declared by the scrutinizer and these results will be uploaded on the BSE website as well as the company website in stipulated time.

Now I call the name of the Registered Speakers to ask their questions. We already received questions from Registered speakers, so the answers to all the questions will be provided once the speaker's speech is done.

So, I'm calling our 1st speaker. Mr. Rahul Jain

**Mr. Rahul Jain, Shareholder**

Hello. Yes, thank you so much. Thanks a lot you all the best for the years. In our initial speech we have spoken about the best of the years are ahead of us and best wishes for that.

**Automotive Segment**

*1. The Company has been constantly working towards building a pipeline of projects for growth. We understand we have a pipeline of 200 projects on automotive segment, though not all will go to commercial stage. If you could share further details of this viz the area, size of the project and the growth. In last 2-3 years how has the size of projects changed. What are the major project wins in last 1 year. and expected in next 1 year. Can anyone of this turn out to be a big opportunity for us.*

- Interesting questions, so I will start with, the automotive segment. Your 1st question was about the pipeline. I had mentioned 200 projects near about that number. So there are many projects which are in the pipeline and some are in R& D stage, and some are in the prototyping stage, but I would not say that 200 itself is a accurate number only for automotive.

For the general number in that range, we have different projects going on and by projects, I mean, PML is manufacturing parts which are mostly customized, so each product and each inquiry project So, and of course each product will have, certain potential. It will have a certain lifecycle. The size depends on the type of the product. So some product will have a lot of metal content and some may not have so much, so it depends on the raw material content of that particular product.

In the last 2-3 years size of the projects is remaining similar all the modules, the projects where we are working on modules those are bigger ones and of course, then it will be a multiplication. So components modules definitely increases the size of the project and the complexity also, so it, it takes a little more time also do that.

Then you ask whether it can be any one can turn out to be a big opportunity. Answer is yes. Some of them are very, very promising and big projects also.

And customers are trying those along with their customers, so if they win the project and we also are successful this can turn off the real big opportunity. Yes and the potential is there. Some of the existing customers giving us a new enquiry as they are loading new project

New opportunities, so, in the start of project, generally, these automotive companies have a very long term view. They have a start a project.

Looking at 23-24, 24-25 Some of them are starting at 25-26 so they are building these new platforms for which we are designing the entire system in which we are 1 of the part of the components, or for the module.

So, it's a fairly advanced. Working that we are doing along with them. So, this is the answer. I believe this is this answers your 1st question.

*2. AR talks about shift from of focus from components to modules in certain product categories and this transition can enable a 5-6x increase in value of products. In last year AGM we had mentioned that we had started commercial supplies in 2 projects, though small. Where are we in this journey today and how do we see the scale up in the next 1-2-3 years?*

I would say that journey is going on Well. It should scale up in the coming years. Still a large commercial supplies for modules is not started. It is all in the development phase. Some are in advanced state some are in the very initial basic stage. Sometimes the customer is only asking for a design. Where we, we do development, but ultimately Sometimes it does not the customer is not able to push it with their customers that also happens.

So, then the project comes to it end in the initial stages only so it depends on how our customers move forward with their customers. But I would say overall we are in a good state in this journey and this will give us a lot of benefits in future.

*3. What kind of new products we have added in the last 2 years. And what is the incremental revenue we have from the new products added in the last 2-3 years. Any new products we will commercialize this year and coming year. Can they be a big opportunity?*

I cannot name exact revenue coming out of this because every, project is a new project, but yes, we have got some revenue generated from this the past that we have added are mainly for the EV application. We've added some for the medical Motors also. We have added some parts for the energy meter also and they are having a good promising outlook.

Some of the existing projects, which were just started 3 years ago. Those are having now large commercial volumes coming to us in this year so all are in different stages but I can't tell you an exact revenue from exactly or how many from the last 2 years new product.

*4. Automotive constitutes what percentage of our sale for fy22 and how do we see this share going ahead for fy23, fy24. And within this how has EV segment contribution moved. In what time frame auto segment can give us a Rs 100crs topline.*

The 4th question was about automotive constitutes – It is 25% For financial year 2022 and then you ask in what time frame it can gives us a 100 crores to top line. We are quite bullish. I feel that given the current state, what we are in and the outlook given by our customers and of course, it is, depending on the Economic situation going forward in your own U. S. and the demand for Ev's in general.

I feel in the coming next 3-4 years, we should be able to Do 100 crores in top line only from automotive. I think it is possible to do that.

*5. We have mentioned in AR that we are sole suppliers to many of our clients. What percentage of our sales would this be and with clients for whom we are sole suppliers we would be catering to what percentage of their raw material needs. What is our wallet share today and how has it moved in last 2 years. What is the scope of increasing wallet share with some these marquee customers/ global leaders in their respective industries?*

About 50 to 60%. Typically, the products that we are selling they are sensitive products, particularly on the current sensing side and these products, when the customer starts buying these products, they generally would not like to keep to suppliers here because magnetic properties of any material, or any product depends on the raw material and how you process it by hitting. So typically they won't stick to 1 supplier only and so, in our case, when we develop that product, they will stick to PML, as a sole supplier is our responsibilities. It's very high towards those customers who buy 100% from PML because it cannot have any late deliveries. We cannot have any rejections. It's a high responsibility.

Approximately 50 to 60% of our sale. Would be, to products where we are 100% Sole, suppliers to those companies.

And then you asked about the wallet share, see ours In terms of their customers overall raw material need. PML is very small. These customers that we cater to, they are, 1 Billion dollar to 20 Billion dollar companies. we are very, very small Compared to what products that they buy. In the product exact product category, or in the exact product that we buy. In in the wallet share for that. In some cases we are 100 % In some cases, we are quite small. That's the way I'm assuming when you talk about wallet share to talk about that particular product itself. The sharing that, so, in some cases we are 100%, but if you mean let's share as is a total purchase of that particular EV segment then we are very, very small.

*6. AR have also mentioned PML is a preferred supplier of electrical components and assemblies to about 50% of the tier-1 automobile companies globally, in both traditional ICE vehicles and emerging technologies like EV. How has our wallet share moved here and expected to move ahead.*

Preferred supplier to 50% of the tier 1 automobile companies and how our wallet share move there.

So, I would like to correct you that we are in different stages with 50% of the customers, of the automotive tier 1 companies, we are in touch with all of them. We are also in touch with a few of the end customers who are automotive manufacturers themselves to design These products and then give it to the tier 1 companies. So, in that case, they tell us who to supply to once the product is approved. Designing is happening with their engineers and PML engineers together. So, but in cases where we are already supplying a larger volume, we are the preferred supplier and in cases where we are in the development stage, or introduction stage, or let's say pilot launch. I can't say that we are the preferred supply because we have not supplied.

Large volumes, and as yet so, but I'm confident that when we do the supplies PML will be the preferred suppliers.

*7. Domestic demand in smart meters. Has the smart meters national program picked up ? do we see increasing domestic demand in next 2 years, given the last 2-3 years not much has happened. How is the demand shaping out from exports with regards to smart meters.*

7th question was regarding the domestic demand in the smart meters And the smart meter, program picked up domestic demand of the meter is still slow and mainly chips shortage only. we are still experiencing that the customer is postponing their orders and we are also in a situation where the chip shortage, how well, they are able to negotiate with their suppliers for the chip shortage. But eventually this should clear out and the demand should increase. So it depends on so many factors when this chip shortage end, the other factors of the utilities demand. Particularly for the domestic demand. For the export demand. In export market also there is a cheap shortage, but it is lesser as compare to domestic market. I find that it is more stable than the export markets. So demand is stable at the end at that level.

*9. Where do we see our smart meter business in next 2-3 years given we are suppliers to the top 3 electricity meter companies globally and we have a long standing client relationship*

Then your 9<sup>th</sup> question regarding how do we, where do we see our smart meter business in the next 2-3 years Even, we are suppliers to the top 3, actually meter manufacturer. We feel that a smart middle business, Our PML, business is going to continue to be stable with these customers.

Products may change because of the design and the customer end, but we are doing a stable business with them and, in fact, they are giving us opportunity for other products also. So, it's a healthy situation.

*10. Gas meters revenue has declined from 18% in fy20, ~ Rs 20crs to 6% ~ 8crs in fy22.. with the end of product cycle. but similarly have we been able to get orders for new products from the same customer ?*

Your 10 questions regarding the gas meter because revenue does decline. we been able to get orders for new products from the same customer. From same customer we have been able to get orders for other segment, but not for the gas meter segment as of now but we have been able to develop another product all the gas meter application with another customer for export.

It is in the initial stages, and it will pick up in the coming years, but not with this existing customer. There we are here to make a break through.

*11. Slowdown in Europe and US impact for us ?*

Your next question was about slow down in Europe and U. S.

it is a concerning phenomenal about the Europe Slow down, but we have not experienced any Slowdown in our demand for PML products till now. We are still talking to the customers how it will go in the coming months. Till now it is looking to be all right.

*12. Top 3 and top 5 customers contribution to sales*

Your 12<sup>th</sup> questions about the top 3 and top 5 customers contribution to sales.  
Top 5 in the financial year 2022 was 38% of the sales and top 10 was about 51% of the sales.

*13. Integration of our existing units into one unit – We have paid an advance for land acquisition Rs. 3.97crs. And as per AR we have acquired major portion of land required and the balance is expected to be completed this year. How much more do we need to acquire and time frame for the same. In what time frame we expect the new unit to start commercial production. Any approvals required for the same which could take time ? At peak utilization what kind of revenue would be possible from this unit and what could be the savings with the new facility with regards to higher automation, efficiency of manufacturing at single location, saving in rent.*

Your 13<sup>th</sup> question was about integration of our units and new facility. So, we have acquired a part of the land and the balance acquisition is still in progress. We should complete the balance acquisition in the next Within the next 3 to 6 months, we should complete it and then we will start the facility development. Facility development, and it will also mean a lot of approvals for the land as well as on the facility, and then the infrastructure so all that should take us, we assume that it should take us 2 years time assuming that everything goes on as per the plan and smoothly. The main objective of creating this facility was first of all the expansion scope, you know, in a current facility, we have 3 plants and when the business came to us, we have put down the facility. Whenever we felt comfortable, but here, we will have a much more planned way in which we will do our expansion and the combined 3 plants will have a good synergy.

In operations in our administration there will be cost savings because we will be able to do so many things together, utilize our resources better.

Also, we will say on account of rent which we are paying today about 25 lakhs rupees per month and the rent in the current space that are, actually increase every year, so in the future year, it will be saving on that Come out currently it is approximately 25 rupees Per month.

*14. Application in renewable, aerospace & defense, food & beverages, robotics. How has this moved in last 2 years. Aerospace you had mentioned in last AGM that you had started 2 projects in this area. Have these projects scaled up ?What is the expected contribution of the new applications in next 2-3 years.*

Your 14<sup>th</sup>, the question was about application in the renewable aerospace and defense, beverages and robotics. How it has moved in the last 2 years, it is still, very small. We have done some sales in the aerospace, defense areas, food products also, but it has moved slowly in the last year. It still it takes a lot of time. We have not been able to achieve a large sales volume there.

Some large sales will come out in the future on these applications. There are currently about 6 projects are going on in this area.

*15. Monetisation of property at Borivali? We had mentioned in AGM FY19 that we had around 1,25,000 sq ft of land. Already sold to builder. The company will get 15% of the revenue as per JDA with him. Any development here.*

Your question number 15 was monetization of the Borivali property. So, we are still in discussion, it is still stuck up and we are in discussion with the builder. Hopefully something will start in the near future but I can't give you an exact date right now, we are in discussion with them and hopeful that it will now start with the coming years.

*16. As mentioned in AR we have a higher buffer inventory for imported raw materials. And raw material inventory has increased from 17crs in fy21 to 28crs in fy22. Have we built this inventory for some specific large project for assured supplies ?? the cost benefit for the same is not reflected in the Q1fy23 nos.*

In question number 16, you asked about the buffer inventory and whether there is a cost benefit.

There is no cost benefit due to buffer inventory rather there is a inventory carrying cost to it, but this was done to ensure timely supplies to our customer. In many cases we are the sole suppliers and if there is a line down for the customer, then we will lose business, then the customer cannot depend on PML, anymore. So, we cannot take any chance for line down at customers end. So, therefore, we have to plan in such a way that the materials are there sufficiently in advance with PML and in the last year we experienced there was a lot of shortage for steel. Even regular electrical, steel be experience shortage. You have to do a lot of effort including air freights and that we cannot have such a risk going forward. So we had to take a decision to increase Inventory substantially, and as we

go along, we will see how the supply situation is and then reduce our inventory levels to the nominal what we had earlier. This is 90 % to take care of their committed supply.

We will not we do not want to take any risk of loss of sales due to these inventory issues even if it means a little bit of a higher cost. We will carry this kind of inventory. You know, this is all the Specialized steel and Nickel alloys which are there for this particular application it's not a very easily available commodity. We have to give the order to suppliers and then they have a lead time. And then there's a transit time, and this transit time, also, we've seen a lot of uncertainties. Sometime the ship is not available and then you lose another few weeks so all that put together here. We have to consider in our supply chain.

*17. Our average Gross Margin for last 14 quarters has been 52.5%. and GM for Q1fy23 at 45% is the lowest in last 15 quarters. Though it may not be correct to look at quarterly margin but is there some one-off impact in this. On a sustainable basis and given we are moving up the value chain what kind of GM we expect ahead and the with operating leverage what ebitda margins we can see ahead.*

Your 17<sup>th</sup> question was about gross margin and it has been the lowest in the last quarter. Oh, yes, we cannot look at a quarterly margin. Our business is long term. So, and it purely depends on the product mix. Some products have a higher margin, due to the complexity of the product itself. In some products lower margin. I would say in the last quarter, it is purely dependent on the product mix and this may not be like that going forward. Margin maybe little higher, or if the product mix is similar to this, then it may come down to the same level. It is the only on the product mix.

*18. Topline growth in last 3 years has been quite low.. given the life cycle end for gas meters, covid, logistics and semiconductor issues. But automotive has done very well.. going ahead given most of the problems are behind and a large pipeline of new projects what topline growth we can for this year and next 2 years.*

I'm not very happy with her top line growth. We are done in the last 3 years. It could have done better. Would we experienced some loss of business? Do we do end of life? And, uh, do 1 that we lost so this happens. The only way to take care of this is to increase the pipeline to such a level and we can easily pick and choose our products and projects out of that pipeline. We have a sufficient large number of large number of project in the pipeline, so we are working very hard on that is the way to grow fast and we are working hard on that and building a system such.

We will have that kind of my plan in place and this will give us a growth that we want so, as we grow more and more, we have to increase that particular pipeline. I mean, this financial here, I can say that we can we should be able to grow at a rate of we should have a growth of 20 to 25%. In this FY, looking at the current scenario that we have current estimates given by our customers and assuming that economic conditions will remain. Okay, We will not have any disruption there. You are seeing some problems in Europe right now, but currently we are okay. In terms of the demand. We went to us by our customers so, I really went to answer your questions. so, now we get it, this gives you a sufficient idea. Thank you. Sir.

**Now, we are calling our next speaker. Mr. Ankit Gupta**

**Mr. Ankit Gupta, Shareholder**

Am I audible now. Hope the entire team of PML is doing well, I've already sent my questions and, many of them would have already been covered. I wouldn't like to repeat them if you can just answer some of the questions.

Thank you.

*1. Please provide the break up of sales in key segments like automotive, energy meters, gas meters and other segments for FY22. How will this break up look like in FY23 and FY24?*

1st, question regarding the breakup of sales, in the key segment.

I think this has been given in the investor presentation that we did.

Broadly it was 38% energy meters, 25% automotive and 6% gas meters and 26% was others.



*2. A lot of our projects were expected to commercialize during this year and next year? Can you give status of that? How many of our projects are getting commercialized this year and next years? What can be the revenue potential from these projects?*

Then your next question was about Commercialization of the projects, I think this I answered. So some projects are getting commercialized here and we'll give additional revenue.

*3. How is our project pipeline and enquiries shaping us? When we last spoke, we had around 200 projects in pipeline. What is the pipeline currently?*

3<sup>rd</sup> question was about the project pipeline and enquiries and the same question about the 200 crores. So, I think I have already answered the various projects are in different stages some are in R&D, Some are getting added to the pipeline some are in advance stage this is the way it is. It's a healthy pipeline and we are trying to increase it.

*4. In the automotive side, have we seen any big breakthrough order which has potential to contributed USD 5 – 10 million over the near to medium term?*

You've asked about whether there is any big breakthrough, which can contribute U. S dollar 5 to 10 billion in the near to medium term, we don't have any such big order from any or breakthrough from any one particular customer. There are some enquiries, which are quite large, which you are working upon. The breakthrough is not happened if it happens, we will let, and it will be good for the company.

*5. Any new customer added by us in past year or so?*

The 5<sup>th</sup> question is about any new customer that has been added in the past year or so. So, yeah, we have added about 5 to 6 new customers, in the past year.

*6. Have we see any progress on module manufacturing in automotive segment?*

Yes, so we are still prototyping, different stages different modules are there some are in the designing phase with the customer, some are in the prototyping phase and progress is going on, but module approval, module corporation in the customer design takes some time.

*7. How do you see this sector contributing to our sales in next 2 – 3 years?*

It should contribute well, but depending on which module gets commercialized. I would say instead of, 2 to 3 years, 3 to 5 years, or I think would be a better in terms of module contributing in a higher rate to the sales.

*8. These segment was facing challenges in export and domestic market in past 2 – 3 years for various reasons. How is the situation currently? Do we see growth coming back in the segment now and how much growth do we expect in next 2 – 3 years?*

Export and domestic demand I think I already covered this. It depends on the chip shortage also in the economic conditions. But the overall domestic is lower. Export is stable and domestic should pick up based on the cheap shortage.

*9. On the domestic side, we are hearing about things picking up significantly on installation of smart meters. How do you see this market shaping up for us?*

We are still experiencing chips shortage issues with the domestic demand.

It has not picked up till now expectation, is that it will pick up and it should get resolved maybe in 1 year or maybe a few months.

*10. We have also added CT technology in our kitty recently. How do you see this technology helping us in garnering new customers in near to medium term?*

Yes. CT business is growing it has grown is doing quite well in this year and we are adding new customers for a new applications. Our target is to get some export customers also for this particular segment. It's a promising segment it should add to our sale in future.

*11. How is our project pipeline and enquiries shaping us? How has the pipeline growth for us?*

So, I think this have answered.

*12. Have we see any progress on module manufacturing in smart electricity meter segment?*

Module manufacturing, mostly our development work is going on in the Automotive segment, but there are some assemblies which we can classify as a module, but assemblies work going on in the energy meter segment. So, multiple parts and components put together. That inquiry is, we have we are working on those. About gas meter and we added a new client, so one, new client, we have added. Development has happened, pilot supplies has been done but commercial sales in large volume is yet to happen is growing on slowly. It's an export customer.

*13. Any update on some of the new segments like medical, defense etc that we are targeting?*

We are targeting, but it is very slow. Defense, aerospace, medical customer, we have clicked already an expected sales. Is going to happen in the next year, or maybe the year after that. We are already building some parts and prototyping is going on. So, it should give us some sales.

*14. What are the updates on the capex plan? Have we bought the entire land parcel that we were planning to buy? When are we starting with the construction of plant and when is it expected to complete?*

We are going more aggressive in terms of our capex plan as compared to what we are done in the past years. We are more aggressive in our plan. It should give us good result. We are here calculating each project and the risk associated with it and taking decisions accordingly. But I think we are in a good space. We're thinking in good plans for future.

*15. We have been attending AGM of the company since FY19 and we had aspirations of reaching Rs.200 crore sales in 2 – 3 years at that time. However, covid and other macroeconomic developments dented our journey. What is a realistic timeline of achieving those revenue numbers now?The new 16 question about reaching 200 grow sales in the coming.*

We are bullish and I think given that all the current expectations. The estimates given by customer whatever projects that we are developing, assuming that the economy in Europe, U. S and India should be alright in the coming years. I think we should be able to achieve this target in the next 2 years. But this is my expectation of course, it depends on so many factors.

*16. We have been always highlighting that we will not compromise on margin front for the sake of topline and atleast target 20% margins, if not more. What are the sustainable margins for the company and do we see margins improving when we scale to 200 crore revenue?*

My answer to this is we attempted margins depend on the complexity of the product more complex. However, if we get a project with a low margin. Where it does not impact our fixed costs of course, we would think that project and increase our top line. So there is no clear cut answer. Whether we will avoid any project, which is below 20% margin. No, We will not avoid. We are concerned with the net profit, that the company makes. So, if there's a project with lower margin, but which is strategic, or which gives us without any fixed cost. Additional, yes, we will take up that project. I don't have a clear answer on this question that you have today.

**Mr. Ankit Gupta - Shareholder**

*So, just 1 or 2 follow, you know, the 25% contribution from the automotive segment that is entirely EV, or we have some, you know, we had some speed speedometer supplies also in that. So, the 25% around 30, 35 groups is that we have from automotive. That will be entirely EV or not.*

No, that is not entirely EV. There is some I would say 80% will be EV and 20% other ICE, which are related to put together.

**Mr. Ankit Gupta - Shareholder**

*That is no mixture and, you know, given, uh, the, the kind of pipeline we are seeing from automotive this 25%, uh, contribution to sales to think this will be like, 40-50%. When we raise 200 K in next 2 years.*

It should increase yes. But see, also, now, there are a few projects which are quite promising in the energy meter space. Possibly to be done, which happens for us. We don't know, but I think is good for automotive.

It should increase you know, a proper I would say, don't go on the percentage on what percentage increases 1st will give us the revenue. Sure.

**Mr. Ankit Gupta - Shareholder**

*You know, smart meters, even export size has been a bit sluggish over the past 2-3 years. But now, given what you and are saying, now, we see this also picking up and contributing to growth.*

There are good opportunities in the in the export front. Also there are some products which we are getting which are non related to our existing products. The thing to do with magnetic sensing, but products, which we are capable to do because we have pitched the capabilities to the customer.

**Mr. Ankit Gupta - Shareholder**

*So that is giving us minutes, is it also because of some shift, which is happening from China and benefiting us because if you see our, you know, uh, customers on automotive and the smart meter side, they are the top notch companies as you said, they are multi Billion dollar companies, huge companies, you know, uh, you know, they're like, we'll be the top 5, top 10 players in their respective industries. So, is it that some shift is happening from China to India, which is benefiting us.*

I can't see clearly, but they, of course, every 1 in the what we have, when we speak to people, they want an alternate supplier to China, because if there is a, if there is a Political problem of any kind, they would like to have a supply chain. But I can't say that whether the revenue was come due to, that may not be true. But the general perception, yes, they want alternative supplier.

**Mr. Ankit Gupta - Shareholder**

*Sure, so this, this last question, you know, on the margin front let's say we are currently on 130 road, and we are targeting 200 growth in 2 years. So, will we be able to increase our margin given a fixed costs will not increase significantly? Or do you think, you know, margins trend around 20-22% range for us?*

Depends on which product in which then gets click. which product in which then gets click in some cases, for example, the raw material cost, for example, is very high. In those cases, percentage margin is lower because we give a full transparent costing to our customer and the customer does not will not pay us on margin on the raw material content will give us some margin on our value addition. So it depends on which product let's clicked.

**Mr. Ankit Gupta - Shareholder**

Sure, sure and thank you. all the best you know, we have been bullish after a long time of this new transforms into this. Thank you so much.

**Ms. Rachana Rane – Company Secretary**

Thank you Ankit sir. We are calling our next speaker. Mr. Nikhil Upadhyay

**Mr. Nikhil Upadhyay - Shareholder**

Good afternoon. First, I would like to compliment the management for a very detailed and very informative annual report. I think it was a lot of effort has been put in order to explain what the company is doing and how the whole idea of process, thought process is changing, so really appreciate the detailed annual report. I have already sent you a list of questions but other than that, I have 3-4 questions, which I'll spell it out so that, it will be helpful to you.

In the auto segment, if we have to understand in what would be our content, uh, per vehicle and when you say that we move from the component to the module how does that share will probably improve or change for us? And continuing on the EV side, so, as of now what we are looking at, in India, uh, we, on the 2 Wheeler side, we have seen a strong proliferation of and on EVs. Also, we are seeing strong volumes so are we impeded on both on most of these customers or is it purely on the US and Europe side and India We still have a small market share in EV and 2nd question is who would be our largest global competitor.

And when players in EU and US, coming to us, what is the advantage they foresee with us? Is it like, uh, the cost of production? Or is it like, our technical capabilities are much broader or stronger versus, the global players.

In last year AGM you had mentioned that our pricing is on a per piece basis, but considering the RM cost, which is there. Is it like a plus kind of a pricing which happens or is it like an absolute pricing, which we define, or negotiate with the customer? How does the pricing happens for our products?

Lastly, in our annual report, uh, on the on the MDA section, you had mentioned that we are moving away from product development to improving our technology and capabilities, Skill set So, when we are trying to do that, so there are 3 or 4 things, which I want to understand. So, 1 is when we say capabilities, skill set, which means doing things, which we are already doing at a much lower cost. Improving our cost of production of the of what we are already doing.

Secondly, entering new products where we are not present as of now, which means we are increasing our scope of, market based on our own technology, and 3rd is, uh, probably, are we launching new Adjacencies in the technology spaces, which we have, we already have a strength and what is the kind of investment this is all these, would require from us. On a regular basis these are the 4 questions other than what I have already sent. So thanks a lot. If you can reply on a per question basis, this is thanks a lot.

**Mr. Sharad Taparia – Chairman**

Sure, so okay. Thank you. So, let me go 1st to the questions then you have asked, uh, send it to us. what would be the mix of magnets high functions currently.

Approximately Hi-perm 50%, Shunt is 30%, Magnet assembly and CT put together is 20%. This is the mix, Revenue percentages. Then, what would be a mix of standardize product versus Commoditized products.

I'm assuming you mean customized product, so most of the customized product standardize products are few.

3rd was regarding. The team of experts we mentioned that the team of experts in methodology, mechanical electrical electronics. Nuances of business. How is the sale get generated?

**Mr. Nikhil Upadhyay – Shareholder**

So I, if I can comment just to explain it a better. So what I'm trying to understand that we have our technology advantage and strength. But what I'm trying to understand is that how does that actually play at the customer level? So, when the customer is coming to us. Is it like, on a specific skill set? He's coming to us or is it like, we are creating the products and going to the customer with the skill set and then procuring the orders how does the whole sales model happen here?

**Mr. Sharad Taparia – Managing Director**

1st of all, we present what we can do to the customer.

So we say, okay, we can do this kind of shunt this kind of assembly. We join the terminals. We have a joining expertise, and we can join these 2 models together and other capabilities like this, we can do alloys, we can do a custom with different kind of metals, hit treatment we can do very well based on this customer. Their designer, their engineers see their relevant requirements.

And they will say, okay, this is something which is relevant to what you are doing today. Can you do this and then we say, okay, yes, we will come to our engineers and then tell them yes, we can do like this. We will attempt to give you a prototype and then they will enter into a commercial negotiation. Say, okay, if you want to do this, can you please give us a tentative pricing idea? And you would say, okay, then you will give a name that is acceptable to them and they go ahead. This is how it happens, so. For example, we are manufacturing since 1961 manufacturing magnets. By way of casting process, hit treatment, grinding but we were making only magnets by casting. We were not doing other alloys. But the process is the same melting of metals together. That is the change that we have done now, we are projecting our capability as a casting is a capability. This is 1 of the examples. Hit Treatment is a capability, so casting we can do so many more different alloys. Now, we have started some Casting alloys, which is nothing related to magnet. It has nothing related to current sensing, but using our expertise of casting, we are doing that. Similarly, there will be so many more opportunities. This is a change. We pitch this capability to our customer. We are already doing it and we are seeing good results. So, I hope I'm able to explain to you.

Then your 4th question was about cost effectiveness. What is the key differentiator I think they said what you also asked about capability.

I think it's, uh, another capability is about cost reduction, or I think this is a mixed question, right? Not necessarily cost. It starts off with the 1st of all a trust with the customer. A customer will never talk to us or any company format on these type of customer. They will not talk to a company until they have a trust level, suitable that okay, this company can do the job because these products going into energy meters, or EVs for this kind of applications. We cannot have a risk of failure. We have to be very, very, they have to be very confident about the reliability about the quality about the delivery on time. Everything has to be good. So we have to build a trust 1st, number 1 - For building this trust, you are to demonstrate that you have done a good quality. You are, able to Give up, which is a good quality, you understand the technology, when you do discussions with them. They must feel and this is a capable company. We have quality systems in place so we ISO 9000. We have ISO 1705. We have AS Certification. We have OHSAS certification, we have environmental, so many certifications are in place. Customer audit this and all this built to our trust level. In the past performance with other customers we have to project all that and build the trust. So this is a part of the, the capability that we do and add it to that we are in an Indian environment where our cost Production is lower as compared to Europe and US. So, cost is a cost comes after all this. 1st is these parameters. I will answer your question how we differentiate ourselves. Yeah, it is a mix of knowledge. It is Production method material sourcing also all put it together.

You have, talked about regular audit of facilities by customer. What is the, what is the technical or technological barrier? For which customer orders becomes so important.

So there is no barrier. It's a requirement by the customer. Before they approve us that they have to audit and also the customers where we are already supplying every 3 years it is their system to order to do it.

How important are our products for our customers? And the products in what cost will it entail in the overall customer production cost and in terms of customer products, how important is the reliability and performance?

It's a good question technically PML products are very important in the functioning because if the current sensing is not done correctly. It will give a heavy reading to the EV in their systems so, it is very, very important, but the value of our product in the entire system is very low. Very small. I would say we will be C class in terms of the value of the product.

So, then your next question was about. shunts, and how we are trying to focus on Value addition in this category and what is the timeline required to develop products and approval promotional life cycle.

So we are having different products in shunt also there are some assembly shunt plus hi-perm product put together plus plastic packaging which we can say assemblies, or we can say module also different terminology. These are all there in the pipeline, they have different startup projects and these are ranging from 2 years to 5 years. As indicated by our customers.

Then your next question about MD speech and, how large is the market segment? That we are not catering to currently and what is the kind of investment reading to me?

Say we are attempting to go into technology, which are generic nature, for example. Casting and alloys.

It's a huge market. We don't even we can't even calculate the market size. For these, we are in a very initial stage, we are pitching these capabilities to the customer and depending on what inquiries, legal, we are going to start off but right now, our market is very small in this. I don't have a number to give to you what the size it, but it's a big market. Similarly, the Zmack discating many, many, many applications across the world which are the current sensing also. So, by focusing on capabilities, simply advantage that The market size is tremendous for the growth opportunities.

Content for vehicle again very small, Very, very small compared to the 1st of all the part that our tier 1 also who they make and the total maker also, we are very small. Modules increase this proportion to factor, depending on the complexity of the module, it will be 2 times for 6 times. Something like this. Then you asked about India EV data and all these companies. We are already supplied to some of, for example, we are supplying some parts and we are not talking to all these customers. They are running queries, but currently they are buying a full kit from abroad. Because they have targets to start producing, so they buy the whole kit they inform the whole kit, and they are slowly indinizing that those kits. So, we are going, we are talking to them about. Our parts during their individualization process, we are at that stage, but currently the sales to India. Is there is nothing is very small for PML but potential for future.

Then you asked about competitor actually, we would not like to name any competitors because then we go into a different argument. They do not want to name any competitors.

Then pricing you spoke about core basis and how do we price. Our products or pieces of code. So, Each inquiry, the customer will give us a drawing.

That drawing, we have to calculate how much the raw material is there in the drawing. So, we give them a bomb cost below materials. We give them our value addition. This is our validation and then the total is price accordingly. This is generally the method by which the price the customer is also knowing clearly, it is quite transparent to the customer. We link it To the London Metal exchange where the copper is high copper nickel or steel or whatever it is. We link it to the international markets is now the pricing is done.

And then last question you had about capability, whether it is cost new products most of the capabilities are related to building of the process manufacturing. and developing a trust with the customer then also, I would say capability only so most of the capabilities is like this big pitch.

And these are the processes that we have expertise in and accordingly, the inquiries are getting generated.

#### **Mr. Nikhil Upadhyay - Shareholder**

Just 1 question, you mentioned that the price on based on the LEM prices. So, is it like a direct pass through in terms of whatever the RM cost would be at Probably at the time of consumption, it's a direct pass through to the customer or is it like a fixed pricing at the time of contracts?

#### **Mr. Sharad Taparia – Chairman**

The customer place an order for X quantity that time they were booking that we are doing. You will take that price and we will book the raw material back to back. So, there's a direct pass through your language will be a direct pass through, we will not stop any material to play on the metal prices.

#### **Mr. Nikhil Upadhyay – Shareholder**

Okay. Thanks a lot. So, thanks for a detailed explanation.

#### **Rachana Rane**

Thank you Nikhil Sir, our next speaker is Mr. Dhwanil Desai

**Mr. Dhwanil Desai - Shareholder**

Some of the shareholders mentioned, thanks for a very detailed annual report, I think it gave us a lot of insight and also very detailed explanation to all the questions that have been asked very frankly, a lot of the questions that I sent and I have in mind are already been covered or answered. Uh, so maybe you can go through the list that you already have with you in terms of my questions and answer. The only additional question that I have is that. it will take us a couple of years till the new facility come up and we are seeing very positive signs in terms of the new projects, getting commercialized and the scale of that So, existing facility would it be able to cater to this kind of 25% growth for 2-3 years? Uh, I think you mentioned in the past, that generally capacity is not a constraint for us. it's more about the capability part. but if we can throw some, uh, you know. You know go through some light on that. So, other than that, I think all the questions I've already sent in the meeting.

**Mr. Sharad Taparia – Chairman**

Okay, thank you so much. I'm sorry on this question for us. Yeah. Yeah. Existing facility, we do not have a constraint of the Facility if there is a space required, we will hire more space on rent for business, so it does not matter Our facility is enough or not. There's business coming, we will hire more space. Our new plant is built. We will add more space. Okay no problem on the bottleneck for growth in this business is only related to marketing how many inquiries do we get. How big is the pipeline? How quickly we can develop these production? and how quickly the customer is willing to accept. These are, this is the only bottleneck. Okay. Yeah, then I go to your question most of them have been answered.

Regarding the gas meter, I think is already done. It will keep on contributing for 1 to 3 and maybe at lower scale. Yeah, but it will go down when you ask whether it will be 0 in this, it'll not be 0 But it is going down for that existing product that we are doing.

But it is your 2nd question was about an urgent bitter contribution to revenue. We all know the answer and do we expect any major product library declined phase? So yes, every. So every product as a life cycles, some products will go out of Production and some new identity. So, but we do not see a sudden decline of sales of imaging. Quite promising projects also in energy meter space.

Then the 3rd question is regarding the automotive. Do we expect the automotive to become 50%? So, this question I already answered you should not talk about the percentage, whichever clicks 1st. there is a promising business we are good inquiries. Well, I'm going on, we expect a good growth there.

For the 1 of the you ask about BMS and even charging station and how many projects do we have in pipeline on EV side? We have 1 projects and initial stages. We have 1 charging station project also and it's all likely to be commercialized in the next 2-3 years it's going on.

Then You have asked about 1, large customer. Who has a dedicated facility for EV and do we see a relationship with this customer of 5 Million dollars dollar?

Generally the design comes from the manufacturer EV themselves then pass on to us, and then we supply to the tier 1. this is how it happens. So this particular tier 1 company is giving us a lot of inquiries that may or may not happen. We have to ask them and talk to them. Sometime they also give. But, if they are, a big company and we don't know, we have to talk to them and understand it. Any 1 of these companies can become huge. if we click a large project with them .So, we are attempting. We are attempting to do this with all of it number.

You asked about moving from components to modules – We already answered this.

The number 7, you spoke about raw material volatility and do we, why do we pass the price?  
We already answered this.

Regarding capex - I think I have answered already.

Do we expect the company to grow in 20%? Plus in the next 2 years

I can say this year I'm expecting it between 22-25% next year. I can't say, but we are bullish. it depends on so many factors. I think this answers all your questions.

**Mr. Dhwani Desai - Shareholder**

*Yeah, just I follow up on the gas meter side. I think we were in the analog side, right? And we were developing the ultrasonic part. so are we close to kind of, you know, doing the prototyping on the ultrasonic side or it's still in the works.*

**Mr. Sharad Taparia – Chairman**

For 1 customer, we have developed 1 product, which is the electronic gas meter side but we can't say that we develop product and approach all the customers.

**Ms. Rachana Rane – Company Secretary**

Thank you Dhwani Sir. Our next speaker is Mr. Rupesh Tatiya

**Mr. Rupesh Tatiya - Shareholder**

Yes. Hi, Thank you for patiently answering all the questions. I, already have sent my questions. I, think most of them are answered, but if you can still go through them quickly, just 2 questions. I will ask, sir 1 is, you said that the margins in where, you know, 15%, it depends on product mix. So, can you just talk about what was the revenue contribution of? Let's say a complex product versus, you know, regular products in Q1 And in FY 22, if you can just give some color on that and in FY 23, if we end up at similar product mix as FY 22, then we, we should be 20+ 1 or 2% margins. Is that a fair. You know assumption to make that is the question number 1 and the 2nd question. Is there is this 10Million a standard for 10Million smart meters you I know you said in domestic there's a semiconductor shortage and all of that. 2 parts there, so some of these companies, like, you know, genius power or electric or whoever our tender participants are, are they, our customers are all of them are customers. Are we missing anyone if you can, you know, just give some color, there and then once the semiconductor shortage.

You know, get gets relieved does that kind of act as a, you know, growth driver for our domestic business these are the 2 questions and then maybe you can go through whatever I've said, mostly most of them should be answered.

**Mr. Sharad Taparia – Chairman**

Okay, yeah, so I will answer the 1st, few of the new questions. Manager is, so I can't exactly say that which only come from the complex normally from the Less complex products. It's a mixed so but overall, I would say that the margin should be at similar levels, my expectation is that It should not be too much. This should not be too much variation based on the outlook that we have currently for the product mix for the entire year. He should not be looking at a quarterly, margin. A percentage levels it is the wrong indicator so. and then you asked about the Indian energy maker demand, mainly your question was about the demand and whether we are supplying with these customers. You would not like to name any particular customers there, but currently the demand is still stuck sluggish. Whatever tenders the government does looping some customers for a very, very price conscious in Indian market. They offer very thin margins. They import from China. To such Customers we do not give our price whatever the best possible and then sometimes we don't win the business from them. We don't get any cut throat. Yeah, we will not do a margin. We will not do business in such a way that it is. A company does not earn anything and we have to put money in the working capital. So, we don't do that. We also there are some times payment issue that we are faced. It's some of these type of customers, We will do business with companies where we are. Sure, Sufficient margin, and the business is smooth.

1<sup>st</sup> was about PML competitors, we would not like to name any, any particular company.

Then the 2nd question was about, split revenue between magnetic sensing and the alloys and casting.

Okay, so this is the this information we have not given in the Annual report, but I would say today, 80% is in the business is in sensing and 20% is with the alloys and casing sensing.



Then we did automotive what percentage revenue comes from ICE segment.  
So 20% is from the ICE Segment, 80% from EV this is the breakup.

How do we see automotive segment revenue for FY 23.  
I think we've already answered this.

Can you provide the fix questions about right? A bit on capex. So capex already is answered.

*We claim to be the only supplier or top 2/3 supplier for most of the products in the EV and electricity meters segment. Both of these are multi billion dollar segments growing at a decent rate globally. Why is our scale only ~100cr in these products then? Can we get to 300cr kind of revenue with these segments in the next 3 years?*

So, I can't say in a 3 years, but we should do 200 Crores. We are lucky and we get a good business in the project start and we will grow better also.

Q. 7 was about energy issues, EU problem with the energy.  
We are concerned about this currently. There is no reduction of demand but we are talking to a customer, we are watchful here. We don't know.

What is the revenue contribution of Alloys and ZAMAK die casting segments?

So this is 20%, I would say, in total alloys and casing business put together.

Next question about margin. So we already answered about margins.

Then the question was a bulk revenue guidance for 23.  
We expect about 20 to 25% growth. I think I answered all of these.

**Ms. Rachana Rane – Company Secretary**

Thank you sir. We are calling our next speaker. Mr.Hitesh K

**Mr. Hitesh Kumar, Shareholder**

I am I audible.Yeah, we can that's all I, uh, so, thanks for this opportunity and thanks for, uh, answering, uh, uh, any questions in detail.

I think many of my questions are covered. I'll just, you know, probably, highlight the ones where probably you can throw some light, I guess you did mention about the revenue split between the different technologies in your, in the, in your response to the previous participant. What we would like to understand is, if I have to understand the margin profile, you know, I know it might be hard for you to quantify, but at least on the margin profile, uh, which 1 would rank higher would it be magnetic sensing or current sensing? Or would it be these allow is and castings. If you can probably just rank them, that would be helpful. Likewise. Even if you could probably ran these sectors like Probably, uh, where would the energy meters stand and where would, uh, you know, the automobile and the new, uh, uh, 8 segments that you are targeting. Probably what the margin profile how would that rank that is 1 and 2nd, is, you know, uh, it's good to know that, you know, about 5% of our business, is already coming from these. New segments like medical aerospace Telecom. Just wanted to understand, what, how significant can these, segments, uh, scale in about 3 to 5 years or would automobile and energy meters continue to remain bulk of our, contributed to the bulk of our revenues.

Number 2, number 3, you know, again, on the margin side, only because historically, if you look at your margins, you have, you know, been the core magnetic sensing related products, where you had at 20%,less kind of margins. Now, in your attempt to diversify the revenue and move it, you know, across the value. Value Change, uh, uh, uh, will these will this valued your margins, uh, or you think you can still hold on to the margins that you have reported historically? competitors you don't want to highlight, but so the only objective of understanding the competitors is, you know, just to, you know, uh, uh, just to understand, have a better understanding about the business. If you could,

uh, probably name the, you know, companies who are doing something similar to us either domestic. Or was it just to help us understand the industry better. That's the only thing, and, you know, lastly, you know, again, uh, just trying to understand what are the entry barrier is in the industry because we look at your asset tones. They are being, you know, uh, North of 10 times and even if I look at your, you know, employee cost, excluding MD's compensation, uh, you know, it averages around 6 to 6.25 %. So, this time to understand, uh, what are the empty barriers in the industry? You didn't highlight that process is something which is a capability that you have to showcase, but if you could probably help elaborate more on what the processes and what is it that, uh, that, uh, makes us stand out and get, uh, business from the competition. That's it, these are the only ones, which probably if we can, uh, throw some more light here. Thanks.

**Mr. Sharad Taparia – Chairman**

Okay, thank you. So I'll answer your new questions first .You spoke about ranking the margins based on the category, let's say products.

It's not an easy way to answer you cannot just say percentage margin, for example. in alloys, which has a cobalt content in it. Can be costing about 4,000 rupees kilo, but the customer will not pay 20% of 30% of the 4,000 rupees of the that we are putting into the alloys. So, whatever value addition that we are doing, so per kilo gram basis, whatever value addition that we are doing the margin could be quite good, but in terms of percentage, it could be quite low. So, I would not say that it a ranking the margin in terms of product categories is the right way. The end result is that the more complex, the product. For example, module, which is complex, but has very low Bill of Material cost below materials is very normally still only, uh, but complex to make to perform the percentage Martin will be quite high. Because in hardly any material, cause a value addition is everything. So, in turn, when you say to if you divide the contribution margin contribution divide by sale, it will be quite high.

So, I would not say, I cannot answer you straight away on this. I hope you understand what I'm trying to say.

And then you spoke, you asked about the new segments scaling up aerospace, Defense, Telecom, , these, that these are all quite promising segments. We know that Indian. The government is trying to all the defense chasing that they are going aggressively, but whatever we are done, we are trying to develop it is taking so much time each step, we move further then the approval takes a very, very long time So, I can't say the, I can say that the potential is there but when it will happen, it's a slow process. So, medical space, we are going. I would say better because you're dealing with private companies. So that is the better, but relating to aerospace and defense Slow process.

Then you asked about in entry barriers, Which is your question number 5.

When we go to our customer, we have to first of all have process capabilities related to this, kind of products that you are doing then we have to have, plus level that we are able to produce the quality that they want. So demonstrate them, then we have to have the quality of systems and then cost competitiveness. I would say a combination of all of this is a sufficient barrier coordinate company to enter into this business plus every product is a customizable if a company, and it doesn't do this. The scope of that particular product is by limited it. If you say that this is an opportunity with a customer of this product can give you 5 crores of sales .It really any company developed all those capabilities just to achieve 5 crores of sale. It quite difficult. So, therefore, the barrier is, this is not a commodity business. So, therefore, this is a sufficient barrier to entry I would say.

For any company will do all of this work for a very, very, very Non scalable single product with 1 particular customer, but if you, but when we are doing, we are approaching. Is with all the other customer, every customized product is like a project. So, that way, I think we have a good Barrier to entry into this business.

Then you asked about I think this is all you asked the new questions I can go on to some question, which you have sent, which are not answered by us earlier, so, number 1 is about a revenue split that have answered. Number 2 is about the new revenue from the medical space that I've answered. Number 3, about scaling up of margin products. so that I've already answered number 4 is about competitors. I do not want to disclose names of our competitors. You may want to do your analysis. I answered 6<sup>th</sup> one which is about operating margins for Q1 – FY 23 this I already answered the margins we have discussed on it. So I think I answered all your questions.

**Ms. Rachana Rane – Company Secretary**

Thank You Hitesh Sir. Now, we are calling our next speaker Mr.Yogansh Jeswani

**Mr. Yogansh Jeswani , Shareholder**

Thanks for the opportunity sir and thank you very much for patiently answering all the questions in well detailed. Answers to most of the questions that I've sent are already answered so I'll skip all those.

I just have a couple of questions like you mentioned about the top 5, top, 10 customer concentration, could you also talk about? Is there a project concentration on a product concentration also in our business? Do we have something like of 5 or 10 products? Contribute say 40- 50% is that a scenario? Or do we have a very, very diversified product based.

**Mr. Sharad Taparia – Chairman & Mr. Sukhmal Jain, CFO**

Basically, customer top, 5, top, 10 covered on a product also. So that is more, better diversified I would say, as compared to the customer because these are customers have multiple, locations, each location will have different products rarely there is a case where 1 single product goes to 2 different locations. So, uncertain that is the diversification in the product it is truly more distributed than, Customers distribution, but not too much concentrated.

**Mr. Yogansh Jeswani , Shareholder**

Okay, also last year, in Annual Report we had mentioned that we had 2 module projects that we were working on and those were all, I think, trial basis, so anything on those, any update or have you been able to commercialize or if they not scale up as for our expectation.

**Mr. Sharad Taparia – Chairman**

No, they are still going on and we have not been able to commercialize make any large sales out of it, Still in pipeline.

**Mr. Yogansh Jeswani , Shareholder**

But overall do we have any contribution from modules?

**Mr. Sharad Taparia – Chairman**

No, very less. Okay. Nothing is very, very, almost nothing.

**Mr. Yogansh Jeswani , Shareholder**

Understood and so, lastly, this is not my question, I'm just adding it up here. Looking at the discussion we had. So, like you mentioned, growth of our business capacities, order contract, rather than marketing and team is something which we need, to improve and to grow. So, anything that you could share in terms of team building in past we had mentioned about hiring from would, engineering colleges. So, if you could, you know, share what has been our Development on the team building site and what is your plan to build up a team going forward for the kind of projects and modules that we're working now.

**Mr. Sharad Taparia – Chairman**

Yeah, it's a good question, What we are doing here, we are hiring engineers at the base level, these engineers that go into operations and they learn about product, because our product is fairly complex and whenever we go to do any marketing or leading our division you need to have a good understanding of the product itself, otherwise you cannot do this business so they start off there and then they grow. So, right now we are in the phase where there is a team of about 11 to 12 engineers who are at level 1, let's say below the senior level, they are all looking up to the businesses and they are being groomed in to achieving leadership positions so, this team building is going on. Well, simultaneously, we are also adding more Strength to the bottom level and currently, this is the way we are going,

this is a good way so, as they grow, we also know how they operate and we are able to invite PML culture. The way we do business.

**Mr. Yogansh Jeswani , Shareholder**

Thank You sir and wish you a all the best for your team.

**Ms. Rachana Rane, Company Secretary**

Thank You Yogansh Sir. We are calling our next speaker Mr.Ramesh Taparia. Hello. please unmute and speak sir.

**Mr. Sharad Taparia – Chairman**

I can just go through his questions here. Major questions are already answered.

1st is about the competitors and that we do not want to name any competitors.

2nd is about Exports and exports benefits. Is there been a change in the export benefits structure? Is there any impact on margin reduction due to Export benefit?

**Mr. Sukhmal Jain – CFO**

The export benefit, which was there, till January 2021, which was 2% in our product category was stopped by government of a India w.e.f January 21, and say that now new RODTP scheme be implemented by government which gives us a benefit only 0.5%, so the reduction of 1.5% in export benefit, on export revenue.

**Mr. Sharad Taparia – Chairman**

What is the country-wise break-up of sales made by the company and what is the country-wise margin?

So, which is we are already given him the presentation - 27% America, 23% europe and 50% is Asia.

Then, he has asked about What is the company's market share in smart meters in India vis a vis its competitors?

Each product is a customized product we can't calculate a market share for overall energy meter. Our product is customer designed product but some customers buy 100% from PML and some don't buy at all. Rarely there are a few companies who buy partly from PML, and partly from competitors. I can't say any particular market share in India but to the good companies, we are supplying to them Different products and in some cases we are 100% also.

If the cost of a smart meter is Rs 100, how much of that can be attributed to sales of PML? In other words, what percentage of value does PML contribute to the cost of a smart meter?

The answer is maybe less than 1% and in automotive sector, if you say that value of a car is a 30,000 dollar so, value of our product, maybe 1 or 1.5 dollar it's very nice. Maybe sometimes even less than even these. The percentage of our product in terms of customers. Total value, let's say, have the product itself or even the buying is quite small.

Number 6 is about the land acquisition I think that I've already answered.

What are the 3 biggest raw materials for the company during the year, value-wise?

Nickel strips, Copper coils and Steel. We have back to back booking of these Raw materials

We do not speculate. We do not have a risk on the volatility of these material prices so I think I answered his question if he's there online. if you want to say anything again, otherwise we can move to the next.

**Ms. Rachana Rane, Company Secretary**

Thank you Ramesh Sir. We are calling our next speaker Ms. Veena Patel.

**Ms. Veena Patel, Shareholder**

Well, Am I audible. A majority of my questions have already been answered. I'm just reframing few of the questions, which would already sent. So just wanted to have an understanding about the technical collaboration that we have with Maglab and how is it going to help in our future growth? and in the past 3 years, the number of customers that we have added and in which areas has this addition been and you have mention of addition of 2 new markets, China and France so in which particular segments, this is going to get growth for us these 2 markets and how far have you strengthen our business development team if you can just spend some time on giving the details on that? What would be the typical approval time for the new products? and if a certain order book you have in your hand so how would it be the execution cycle for of that order book? Sir, you clearly have mentioned, about hurdles for you to develop the business coming from the new application areas of aerospace and defense, depending on the longer approval cycle, and you mentioned about some progress you have made in the medical devices segment apart from this, we have the 3 other emerging areas, so 1 of them being the EV charging gas stations, then you have the renewable energy space and the electronics, so how far have we made some initiatives in these areas? and is there a possibility maybe after 3 years, this also could be a significant growth driver for us, because currently looking at the scenario it is the automotive segment, which is giving us a growth, especially the EV side of the business and then we have this smart meters so these 2 are the major growth drivers after 3 years out of these 5 other areas, which would be 1 of the growth drivers, maybe the base would be very small, but the growth can could be in the higher double digit. So we want an understanding on that and how far you have started your work on that particular field so that you can start getting those numbers, in your revenue profile and Whatever the internal estimates you would have made, what would it be? The opportunity size from these new application areas so, finally, if we can just narrow down on the growth drivers for your company, speaking from the timeline of 3 to 5 years will it be the new projects coming from the existing customers, or will be from the new customers, new application areas the new markets, or? It'll be purely because of the revenue mix changing because you're getting into the value of the products, so called modules and the assemblies So what would be the broader growth driver for the next 3 to 5 years timeline period. The similar line I would like to have an understanding about what would be our sustainable EBIDITA margin range, because you have given the guidance for the next 1 year that you'd like to maintain what you have done historically, but looking at the work that you have been doing it and the and the smart meters ramp up happening so, that will definitely give an operating leverage benefit, but apart from that, your work on getting into the value added products that can definitely take your EBIDITA margins to higher level. So, what would be your aspiration looking at the work that you have been doing? For the last, 3 to 4 years. So if you can just give some range where you can see the operating margins going and so, finally, the capex amount that you have mentioned so that is primarily going for the land acquisition and the new facility development. But will there be any requirement of nominal capex for our existing facility? or, do you think that 200 crores of the revenue gardens, which you have given? Would it be possible without any incremental capex happening in the existing facility?

So finally, we are very happy that, the company of your scale is having such an excellent interactive session, which is very rarely to find in a small cap companies. So, and I'm really glad that you're taking every question from the shareholder and give satisfactory answers and giving so much of time for engagement. So, 1, small request. If possible every 6 monthly can we have the presentation getting uploaded on the stock exchange, just to get an idea because you did a remarkable presentation immediately after the quarter 4 numbers then he came out of the best Comprehensive information providing Annual report so similar If it's possible, maybe 6 monthly 1 small presentation should be sufficient for us to give an idea about what kind of work we have been doing.

Thank you, sir.

**Mr. Sharad Taparia – Chairman**

I think your last request we will consider at 6 months, whether we didn't do, it takes a lot of you can understand and it takes a lot of effort and time to put an explain in the presentation so we will see what best we can do, I can't promise.

**Ms. Veena Patel, Shareholder**

Can just provide a press release at least a 1 page.

**Mr. Sharad Taparia – Chairman**

Yes, we would apply to do that. Take your new questions first.

2nd of all regarding the Matlab collaboration. It's a collaboration where they will design the product we manufacture as per proposed and we also do the designing along with them. They also help us to pitch to the customer. So, it's a good collaboration. Also, they are in Europe, they sometimes get to pitch it to the customer better due to their relationships. we are getting new inquiries through them, So it is, I would say a good collaboration. They also given us a lot of technical inputs so why we are also building our capability. They have certain, capability themselves. Then you asked about past 3 years customer. Should we have done some additions some new customers also? Reasonably big value customers which we have made a start, but the bulk of the business I would say is coming from the existing customers only not from the new customers, so we are hopeful that this because the relationship takes time to build, you keep on supplying and then they see the performance and that is a more and more inquiries get generated, but the size of these companies are such like I feel it's a good. Then you asked about a supplies to China and France, it's mainly towards the EV segment automotive segment only. The products that we are doing are supplying these countries. Then you asked about the business development team. These new engineers that we take, we put them into these new inquiries and they work, on these inquiries, so we have some technical people also who are metallurgist who have knowledge and some other people who knowledge about electronics and this development team works with these engineers to handle those inquiries to pitch a new thing to the customer. So, we are doing so, automatically these engineers become better at development of various products. Could this is the main job that you are doing? Developing new products working on you encourage them our main job. When you ask about development time, for Development time, is depending on product, the product how complex the product is and start of project given by the customers, sometime the customer, say they come to us 3-4 years in advance this is going to start in, let's say, 2026 or some time that is starting in 1 year, 2 years. So, I think the starting point commercial sales mainly depends on the commercial. Sorry on the Customers start a project date. In our development time, we have to squeeze accordingly, then you asked about the order book. So generally our order book. The customers give us a forecast for the entire year. This is the forecast and you don't give us an order upfront so we are supposed to produce as per the forecast and they will give you the order as for the lead time in the general practice with automotive company and also energy with the companies. What exports mostly.

**Ms. Veena Patel, Shareholder**

Sir, I'm asking this question mainly because you have just given the revenue guidance for this financial year to be the range of 20 to 25 percentage. So what is giving this kind of an optimism? Because if already received those lead time related forecast at the starting of this calendar year. So, based on that, you are coming costs fair enough to assume that we have the execution cycle of less than a year.

**Mr. Sharad Taparia – Chairman**

Yes this is forecast generally is all right unless some other factors come in. The forecast gets converted into orders.

**Ms. Veena Patel, Shareholder**

It's just been asking about the average approval time frame average on an average. It would differ from project to project your approval timeline from the customers, you have developed a particular product for them, or a prototype for them for it to get to a commercial mode. How long it takes from the customers to come with the final order.

**Mr. Sharad Taparia – Chairman**

A simple component flux concentrator we give them the prototype and then for them to approve, maybe 3 months. Okay, but then the process behind that, how to arrive at the design and whether the customer also changes, so they will take the prototype, they say, okay, this is not working we want something bigger and we are going to go back to

the drawing model we make something bigger again, make a prototype, this migration can go on for 2, 3 times. So then, I don't know how you define as a development or approval time based on your definition, you can decide. But it can take this whole process can be 1 year and then you asked about the EBITDA margin sustainable, It depends on the product to product. This question I have already answered how much is the BOM contained? Is very expensive margins will be lower a single margin will be lower if the complexity is high and the raw material content is low margin will high.

**Ms. Veena Patel, Shareholder**

I'm trying to understand at the low end of the annual basis what kind of margins you can do.

**Mr. Sharad Taparia – Chairman**

I can say that for this particular year, the margin should not change so much, it should be a similar level more or less at similar level.

**Ms. Veena Patel, Shareholder**

Okay, from these current levels, the margins to improve will definitely depend on your product mix.

**Mr. Sharad Taparia – Chairman**

Product mix which product comes first it, it depends on that. Then you ask about the growth drivers in the in the 3 to 5 year horizon. See 3 to 5 years whatever existing demand is going to increase for the existing products, Initial stage, which will come to the peak demand that will be one of the important factors and the 2nd will be the, you start off product start up project defined by the customer, which is going to happen within this 3 to 5 years. In some businesses here we are targeting, which is alloy type of business which customer is already using once we develop, we are ready to go that is also there in some businesses like that, which we are attempting to do based on our capabilities so that if it comes, that is ready to go and I think that some business should come out of that business also in the coming 3 to 5 years horizon.

**Ms. Veena Patel, Shareholder**

Okay, it's simply say modules also will be a significant revenue component in 5 years.

**Mr. Sharad Taparia – Chairman**

Module should give us some business but I don't know how much business because it is still in the approval of initial stages so customer, if they are fairly advanced in their design, what happens in modules customer is building something, they are taking our design, they are building around it so, they are also working well, in advance automotive companies work 5- 10 years in advance so, I can't say, I can't precisely say the modules will give us a big revenue. It should give us some revenue. I don't know how much, but some can click also.

**Ms. Veena Patel, Shareholder**

So, modules have a major application into automotive or into the smart meters side of the business also.

**Mr. Sharad Taparia – Chairman**

Automotive side also modules and smart meter there are some assemblies that we're looking at, which are a combination of 2-3 parts which we don't name as modules, we call them assemblies. And then you have a question was about the capex existing facility.

**Ms. Veena Patel, Shareholder**

So, it just been asking for the new application, because you had already mentioned to one of the participants that, probably aerospace and defense have been a very difficult business to ramp up because of the critical approval a long time leads period and in case of medical devices, you already have made some kind of a beginning with one customer getting on board, but I'm just referring to the other application areas very specifically to EV charging stations, the new renewable energy related battery storage systems and then electronics. So how far have you started your work? and will these be one of the significant revenue drivers? Let's speak 5 years down the line.

**Mr. Sharad Taparia – Chairman**

EV, charging we are already are working on one inquiry, it looks good and we are working on that and based on that, we found that this is within our capability so, now we are expanding that scope to all the real customers are going to do and pitch to them or so it is a possibility that it can become interesting business. I don't know how big it depends on how many charging stations are going to be installed then we will be successful in selling to Indian companies. Whether they are going to pitch us again or the Chinese their preference over Indian versus Chinese. All the factors are there, but it falls within our capability, one particular part of the EV charging station I will not name that part right now, but we will let you soon.

**Ms. Veena Patel, Shareholder**

In the medical field we a lot of MNCs so have we started a work in a very significant manner?

**Mr. Sharad Taparia – Chairman**

We are into one small application related to magnetics in the medical space. It's a very niche business now we will see that requirement is for how many customers worldwide right now it is 1 multinational company you will see how much we can sell to other companies, but I don't know the market size for that. It may not be very large, but it's a good beginning. Then you ask about the capex for existing facility. We are already doing that for existing facility whatever is required we are doing that, It's not a significant capex for sale to this year. All the major capex we are doing is for sales related to future. On some parts here we are internalizing instead of buying from vendor. We are doing the operation ourselves to reduce cost there are 2 areas that we are saving the cost. Today we are outsourcing then we bring the facility in house and we save on cost.

**Ms. Veena Patel, Shareholder**

Okay, so Margin in the new facility will be far better than the existing facility.

**Mr. Sharad Taparia – Chairman**

Yes, whatever outsourcing we stop and we get into those margins become better. So I think, I answered all your questions.

**Ms. Veena Patel, Shareholder**

Yes, sir. Thank you so much. I wish you a Good luck, sir.

**Ms. Rachana Rane, Company Secretary**

Thank You Veena Mam. We are calling our next speaker Mr. Kaushik Mehta.

**Mr. Kaushik Mehta, Shareholder**

Yes, actually all my questions have been answered and you guys are absolutely fantastic in answering everything, so no questions just good wishes and all the best.



**Mr. Sharad Taparia – Chairman**

Thank you sir. Good luck to you as well.

**Ms. Rachana Rane, Company Secretary**

Thank you Kaushik sir. We are calling our next speaker Mr. Hardik Jain

**Mr. Hardik Jain, Shareholder**

Again, most of the questions are already answered by you and thank you very much for giving us such an informative annual report and giving us so much of time and taking all the questions very seriously and answering one by one. Just a small, quick clarification what is the size of our Borivali land.

**Mr. Sharad Taparia – Chairman**

The size of Borivali land is 1 lac 25,000 square foot but as per agreement we will get 15% share.

**Ms. Rachana Rane, Company Secretary**

Thank you Hardik Sir. We are calling our next speaker Mr. Mukesh Chandirmani. He is not present so we calling our next speaker Mr. Saurabh Jain.

Okay, we are not receiving any response from Mr. Saurabh Jain so we are calling our last speaker Mr. Satish Shah.

**Mr. Satish Shah, Shareholder**

Mr. Satish Shah asked about how much factory plants are there and where it is situated and then he requested for factory visit and all his questions answered by Mr. Sukhmal Jain, CFO.

**Ms. Rachana Rane, Company Secretary**

Thank you Satish Sir.

Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes after the conclusion of the meeting. Therefore, members who have not cast their vote yet are requested to do so. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We are grateful to all our shareholders who are coming by video conferencing. Thank you all Board Members, Auditors and Shareholders for attending the meeting and I hereby declare the proceedings as closed. Thank you very much and see you next year.