



CMS INFO SYSTEMS LIMITED (“CMS”)
TRANSCRIPT OF
17th ANNUAL GENERAL MEETING
HELD ON TUESDAY, AUGUST 6, 2024 AT 03:00 PM IST

DIRECTORS PRESENT

- ❖ Mrs. Shyamala Gopinath, Chairperson (from California, USA)
- ❖ Mr. Rajiv Kaul, Executive Vice-Chairman, Whole-Time Director & CEO (from Corporate Office, Mumbai)
- ❖ Mr. Tapan Ray, Independent Director (from Gandhinagar, Gujarat)
- ❖ Ms. Sayali Karanjkar, Independent Director (from Pune, Maharashtra)
- ❖ Krzysztof Wieslaw Jamroz, Non-Executive Director (from Chicago USA)

COMPANY REPRESENTATIVES IN ATTENDANCE

- ❖ Mr. Debashis Dey, Head Company Secretary & Compliance Officer, (from Corporate Office, Mumbai)
- ❖ Mr. Pankaj Khandelwal, Chief Financial Officer (from Corporate Office, Mumbai)
- ❖ Mr. Anush Raghavan, President Cash Management (from Corporate Office, Mumbai)
- ❖ Mr. Manjunath Rao, President Management Services Business (from Corporate Office, Mumbai)
- ❖ Mr. Puneet Bhirani, President Operations (from Registered Office, Navi Mumbai)

OTHER REPRESENTATIVES

- ❖ Representatives of BSR & Co LLP, Chartered Accountants , Statutory Auditors
- ❖ Representatives of M Siroya and Company, Secretarial Auditors & Scrutinizers

QUORUM OF THE MEETING

A total of 55 members attended the meeting.

Shyamala Gopinath Namaste and good afternoon shareholders.

I am Shyamala Gopinath, Chairperson and Non-Executive Director of the Company. I am attending this AGM from California, USA. I have great pleasure in welcoming you all, to the 17th Annual General Meeting of your Company.

Like the previous year, this year's Annual General Meeting is being conducted virtually via videoconferencing, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India in this regard. The Management has ensured that all necessary arrangements are in place to enable shareholders to participate in the meeting and vote on the resolutions outlined in the Notice of the 17th Annual General Meeting.

Now I would like to introduce Rajiv Kaul, Executive Vice Chairman, Whole Time Director and CEO of the Company. He is also the Chairman of the CSR Committee and a Member of the Stakeholders Relationship Committee. With a mission to make CMS India's best business services platform by leveraging its network, technology, and solutions mindset to solve complex problems, Rajiv has led CMS' transformation, and today CMS is one of the few unique companies in India with a 100% public shareholder base. During his 15-year tenure, CMS has built market leadership across its business lines in Cash Logistics, Managed Services, and Technology Solutions. Prior to CMS, Rajiv was associated with Actis Capital, Microsoft and ITC in various leadership roles. During his tenure, Microsoft India business was the fastest growing globally and was the largest in emerging markets.

He has served as an elected member of the CII National Committee and NASSCOM Executive Council and is currently a member of the Board of Governors of Birla Institute of Technology, Mesra. He is attending this AGM from our Corporate Office at Mumbai.

I now request Mr. Kaul, to introduce other fellow Board Members and participants to the AGM.

Rajiv Kaul

Thank you Shyamalaji. Namaskar. It gives me a great pleasure to welcome and introduce our fellow board members who are attending this AGM through video conferencing.

I would like to start with **Mrs. Shyamala Gopinath** our Chairperson, who is attending this AGM from California, USA. She is also the Chairperson of the Risk Management Committee and Member of the CSR Committee and Stakeholders Relationship Committee. In the past, she has served as the Deputy Governor of the RBI and Chairperson of HDFC Bank Limited. She was actively involved in managing India's balance of payments crisis in 1991 that led to the first round of economic liberalization in India. She was honored with 'Lifetime Achievement Award' at the ET Prime Women Leadership Awards in 2023. Currently she is also on the Boards of leading Companies like CRISIL Limited and BASF India Limited.

Next, let me welcome **Mr. Tapan Ray**.

Mr. Tapan Ray is an Independent Director of the Company and is attending this meeting from Gandhinagar, Gujarat. He is the Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. He is also the Member of Risk Management Committee. Mr. Ray is retired senior IAS officer having served Govt. of India in several roles including the Secretary to the Ministry of Corporate Affairs. Currently, he

serves as the Managing Director and group Chief Executive Officer of GIFT City, Gujarat and also on the Board of Gujarat State Fertilizers & Chemicals Limited and Gujarat State Petronet Limited.

Next I would like to introduce **Ms. Sayali Karanjkar**, who is an independent director of the company and is attending this meeting from Pune. Ms. Karanjkar is also a member of the Audit Committee, Nomination and Remuneration Committee as well as CSR Committee. Previously, she had co-founded PaySense, a leading fintech company and also acted as the Chief Business Officer of PayU Credit India. She serves on the boards of leading fintech companies like One Mobikwik Systems Limited.

Let me also welcome **Mr. Krzysztof Wieslaw Jamroz** to the Meeting.

Mr. Krzysztof Wieslaw Jamroz is a Non-Executive Director and is attending this meeting from Chicago, USA. He is also a Member of Audit Committee, CSR Committee, Stakeholders Relationship Committee and Risk Management Committee. Chris is the Executive Chairman of the Board of Roadrunner Transportation Systems USA and Executive Chairman of Ascent Global Logistics USA. Previously, he acted as the President and COO of the Cash Management business of Garda World Corporation USA.

I would also like to inform you that Mr. Jimmy Mahtani, Non-Executive Director is unable to attend the meeting due to his other professional commitments and has conveyed his regret for the same.

From the CMS Leadership and Secretarial team, we have:

Mr. Pankaj Khandelwal, CFO

Mr. Anush Raghavan, President – Cash Management business,

Mr. Manjunath Rao, President – Managed Services

Mr. Puneet Bhirani, President – Operations and

Mr. Debashis Dey, Head Company Secretary & Compliance Officer

They are all participating in the meeting through video conferencing from the Company's Corporate Office in Mumbai.

I also welcome the representatives of Company's Statutory Auditor, BSR & Co. LLP, Chartered Accountants and Secretarial Auditor, M. Siroya and Company, who have also joined the meeting through Video Conferencing. I also welcome all the shareholders including Authorized representatives of our shareholders who have joined the 17th Annual General Meeting of the Company through Video Conferencing.

I now request Mr. Debashis Dey, Company Secretary to brief you about the process and technical requirements for participating in the AGM.

Debashis Dey

Thank you, Rajiv. Good afternoon everyone and welcome to the 17th Annual General Meeting of CMS Info Systems Limited. I would like to confirm that the Registers as required under the Companies Act, 2013 are open for inspection electronically, should any member request for the same. Although by now, most of you have the experience of joining and participating in the AGM through

video conferencing, for the benefit of the shareholders who are joining for the first time via video conferencing, I would like to brief you about the procedural and technical aspects for the smooth functioning of this meeting.

All shareholders of the Company who have joined this meeting are by default placed on 'mute' mode by the host to avoid any disturbances arising from the background noise and to ensure smooth and seamless conduct of the meeting. The Company had given opportunity to the shareholders who wanted to speak at the AGM, to register their name with the Company in advance. The Shareholders who have so registered as speakers with the Company will be allowed to speak during the question and answer session. The names of the registered speaker shareholders will be called out and thereafter he or she will be unmuted by the moderator. Members, who have not registered as speakers but have any queries, may send us the same in writing/ email and the same would be answered by the Company in due course.

Speaker Shareholders are requested to ensure that their Audio and video are enabled and working properly. However, if you are unable to use the video mode, then you can speak through the audio mode as well. Please use earphones or headphones, if possible, so that you are clearly audible. Also ensure that you have adequate lighting at your place. Please note that if speaker shareholder is not logged in when his/ her name is called out or there is connectivity issue at any speaker's end, the moderator will mute such speaker and the next speaker will be invited to speak.

Since the Annual General Meeting is being held virtually, the requirement of appointment of proxy is not applicable. I confirm

that the members present through Video Conferencing fulfills the required quorum for this meeting and request, Mrs. Shyamala Gopinath, Chairperson, to kindly take the chair and commence the official AGM proceedings.

Shyamala Gopinath Thank you, Debashis.

The required quorum for this meeting being present, I declare the proceedings of the AGM as commenced, with the permission of the members present. The Notice convening the 17th Annual General Meeting of the Company has already been sent to the shareholders of the Company and with your permission, I take the same as read. As the Statutory Auditors Report on the Annual financial statements of the Company for the financial year ended March 31, 2024 and the Secretarial Auditors Report for the same period does not contain any qualifications, observations, comments or other adverse remarks, the same is not required to be read at the Meeting and therefore may also be also taken as read with your permission.

I would now invite Mr. Rajiv Kaul to make a presentation to the shareholders on the business performance of the company.

I also authorize Mr. Kaul to conduct the remaining proceedings of the AGM.

Rajiv Kaul

Thank you, Shyamalaji. Dear shareholders, we have already introduced our eminent board members. I would like to take this opportunity to thank our outgoing board members, Ms. Manju Agarwal and Mr. Ashish Agrawal, for their unwavering support and guidance to our company. Their contributions have been significant in shaping your company's strategy and maintaining a robust governance framework.

Here are the key leaders of your company. Most of the leadership team is the same as last year, providing continuity to our customers and employees. We had one change, wherein our ex-CTO, Rohit Kilam left to pursue an exciting opportunity to become the CTO of HDFC Life Insurance. In his place, we have Rajeev Bhatia, joining us as our Chief Information Officer. He has extensive experience in BFSI & technology companies, having worked with leading companies like Infosys, Axis Bank, and SWIFT. Given the rapid increase in our business we have also expanded our senior leadership team. Puneet Bhirani – who is our first President level hire in more than a decade, joins us with extensive leadership experience across tech led operations in large companies like Mphasis, Byjus and Ola. At CMS, he will lead all our operations across an integrated platform.

I would like to take you through an update on your FY24 financial performance which was another strong year for your company.

To start with, I want to share five key highlights. It was our fifth consecutive year of 20% PAT growth. Our PAT margin now is 16.5%. We had a ROCE last year of 27.4%. It was also an important year for us in our journey with a change in ownership. We have now become one of few, very few unique companies in India with 100% public ownership. Our sales results and efforts have been excellent. We doubled our order wins with 1850 crores of new order wins in our managed services and technology solutions business. This business segment now contributes 39% of our overall revenue which is actually our FY25 target of 40% which we've achieved one year prior.

Finally, it was a very key year with us trying to incubate two new business lines. Our debt collusion collection solutions and valuable logistics. We have had solid learning in both. We understand the market landscape better and also our customer needs. I would now

like to share with you a summary of our FY24 results. It was a robust year in terms of both revenue and PAT growth. Our revenue growth was 18 %. Our PAT growth was 23 %. With a 69 % operating cash flow conversion, our cash and cash equivalents grew from 450 crores to 780 crores by the end of the year and the dividend payout recommended by the board is 25 % of our FY 24 PAT. Diving into our segmental performance, our cash logistics business on a high base of 20% growth in the prior two years had an 11% revenue growth this fiscal. And the EBIT margins for this business grew at a very healthy 15%. In fact, the number of business points we have served have grown by 13,000 to touch 1,37,000 points. A majority of these were in our retail business, which witnessed a 25% business point growth due to our investments in a strong sales team to grow our market share and also to expand this market.

Our managed services and tech solutions business had a stellar 35% revenue growth and a 27% growth on operating margins. I have already shared that our order wins in this business segment were 1850 crores, which is 2x of what we had in the prior year. Within the segment, our AIoT remote monitoring business crossed 25,000 sites.

This business has grown at more than a 50 % CAGR in the last three years, and we are confident that can continue a high growth rate and double in the next three years.

We have demonstrated strong compounding of earnings over the last three years with 20% revenue CAGR. A 28% EBITDA CAGR has resulted in a 30% PAT CAGR, which is 2.2x PAT growth in three years. In fact, over the 15-year history of CMS Info, from its creation in 2009 to 2024, our revenue CAGR has been 17%, our EBITDA CAGR has been 19% and our PAT CAGR has been 21%, which is phenomenal compounding of the company over this long period of

time. And this has been possible due to a long-term focus on investing in new business lines and to also create an integrated platform which can serve our customers better. This platform has grown from three to seven business solutions.

We are actually the clear market leader in three of these businesses. And all of this has helped us deepen the work we do with large enterprises and banks. The number of customers with more than 100 crore in annual revenue has gone from three to eight in the last three years, and our one CMS approach helps us leverage our technology, our infrastructure, and customer relationships to deliver growth and also run a high ROCE business.

All of this has helped your company become India's leading business services platform, which is focusing on BFSI and retail sectors with a mix of logistics and technology solutions. This includes ATM and retail cash management, cash and transit services, as well as our managed services, AIoT remote monitoring, ATM as a service, banking, automation and software, and card personalization services.

I want to shift gears to the future. We're very bullish about a long-term growth opportunity, which is interlinked and dependent on four key themes.

At an India macro level, as India per capita GDP grows, and due to the GST-led reforms, we will see more formalization in the country. We will see higher consumption in India, which can benefit all of our businesses. In fact, Indian banks still have more than 1 lakh ATMs which aren't outsourced for cash logistics. We are also witnessing all banks increasing their physical bank infrastructure, which is going to need new automation solutions, which your company can provide.

Within the AIoT remote monitoring, we have expanded our solutions from ATM sites to bank branches. Over this year, we will take the solutions to NBFC and gold loan companies, and also incubate new sectors. M&A and partnerships have been a key part of our growth strategy. In fact, we have executed seven programmatic small to medium-sized M&A deals over the last decade. And we see opportunity for more in the coming years.

And we have clear identified areas of expansion across sectors like debt collection solutions, fintech, valuable logistics and banking software. Taking you back to when we listed the company in December 31st, 2021, at that IPO, we had shared our aspiration and target to double our revenue from FY21 to FY25. And our goal was to go from a 1,306 crore company to 25 to 2,700 crore revenue range. In FY25, as where we are, we are fairly confident of being in the upper end of this target range so as to be able to meet the 2x revenue growth target.

In the coming years, the business lines which can lead our growth are likely to be retail cash solutions, the scale up of our AIoT remote monitoring business, our integrated managed services solution stack and with your blessings some of our new business lines which we are investing in should get established and succeed.

Along with all this you should also feel very proud that your company is not only making a significant difference and impact to our customers but the fact that your team is also very passionate about serving the underserved communities in India. We are a very unique company, which has a very deep-rooted network across the country.

And therefore, our approach to CSR is different. We work with different NGOs across the country. And our aim is to be able to work

in every state of India. The map on the left actually shows you all the states where we are currently working through our CSR teams and partners.

In fact, over the last three years, we have contributed more than 14 crores in the focus areas of our CSR strategy and policy around health care, livelihood, skills development and environment. We have also set up a Section 8 company called the CMS Info Foundation, which will help increase our impact by driving a lot of our CSR efforts directly, while we also will continue to partner with good NGOs around the country to be able to make a difference to society. We regularly contribute to the PM relief fund and Unfortunately, whenever there is any natural disaster in the country Our teams are amongst the first to reach through our network through our fleet through our vans our infrastructure So that we can provide relief material through food and medicines to the affected communities in the country. We always try and ensure that the CMS network and platform can serve our nation in as many ways as possible.

Before I close, I'm very happy to share that in March, 2023, we had 1.15 lakh shareholders in your company. This community of shareholders has grown by 50%. And at the end of March 2024, we now have 1.72 lakh shareholders. I want to thank all of our shareholders for the faith in CMS.

Your board, the entire CMS Info team, continues to work very hard to do the right thing for our customers to continue creating shareholder and stakeholder value through a high-quality platform and a respected institution. Thank you. I have now come to the agenda for today's meeting.

I request Debashis Dey to briefly introduce today's agenda to our members.

Debashis Dey

Sure, sir. The first item in the notice relates to the approval & adoption of the Audited Standalone & Consolidated Financial Statements of the Company for the year ended 31stMarch, 2024 and the Reports of Auditors and the Board of Directors thereon. The Audited Standalone and Consolidated Financial Statements of the Company as circulated to the members, forming part of the Annual Report, was approved by the Board in its meeting held on 15th May 2024, for the approval & adoption by the members.

The second item pertains to confirmation of interim dividend of ₹2.50 per share and declaration of additional final dividend at the rate of ₹3.25 per fully paid-up equity shares of the Company for the financial year ended 31stMarch, 2024. Thus, the total dividend declared for the year will aggregate to ₹5.75 per equity share. The dividend recommended by the Board is as per the Dividend Declaration Policy of the Company.

The third item relates to the reappointment of Mr. Krzysztof Wieslaw Jamroz, as a Director who is retiring by rotation and being eligible, offers himself for reappointment. In view of his significant contributions during his past tenure, the Board has recommended his re-appointment for the approval of the Members.

The fourth item pertains to ratification of remuneration of ₹1.25 lakhs payable to M/s S.K. Agarwal & Associates, Cost Accountants, the Cost Auditors for the financial year ending 31stMarch, 2025. The aforesaid amount is comparable to industry standard and

accordingly the Board has recommended the same for the approval of the members.

The fifth item pertains to proposal for re-classifying the preference share capital portion in the Authorized Capital of the Company to equity share capital within the existing overall share capital limit of the Company. This enabling resolution will allow the Company to raise additional funds through equity route in the future as and when required and the Board as recommended the same for the approval of the shareholder.

The sixth and the final item of the notice proposes to alter the Articles of Association of the Company to remove all special rights which were granted to Sion Investments, consequent to their complete exit from the shareholdings of the Company and some other minor changes. The Board has recommended the same for the approval of the members.

Members may please note that as the resolutions have already been put to vote through e-voting, there will be no proposing and seconding of the resolutions.

I now request Mr. Rajiv Kaul to kindly continue with the proceedings.

Rajiv Kaul

Thank you, Debashis. I now invite our shareholders who have registered themselves as speakers for this AGM to express their views. I would request Debashis to call out the names one by one as per the order of names written in the speakers list.

Debashis Dey

Sure, sir. Before I start calling the shareholders name, I request all speaker shareholders to be brief and not to repeat the questions or

queries already raised by other speakers and try to limit their speech to maximum three minutes.

The first speaker shareholder on my list is Mr. Manjit Singh. Moderator, if somebody, any speaker is not on the call, then you can just let me know.

Manjit Singh

Company management team, Secretarial team, and my co-shareholder. I welcome everyone. I would like to thank the management team and Secretarial team, who have joined us through the moderator, and we were able to join you in this AGM. Thank you very much. Sir, our June 2024 first quarter results have been good. What do we expect in the next three quarters? There will be a period in which there is a festival and wedding season. So, our cash management work is more outside. Cash management is a big issue in India. What are the preparations for this? What are the plans for the festival season and wedding? Please tell us about this. What are the expectations for the next three quarters? And what are the expectations for the next four quarters? What will be result for this year. How much we are accepting the EPS. Please tell us about the earnings per share. Sir we have big risk in our services so how we do the insurance policy of our Staff, Cash and vehicle. You brief us about CSR activity I am from Bhatinda North zone we have made new temperature records. So, what do you think about the environment in our area? How will you improve the environment in CSR activity? And the problem that has come up in Kerala, what is our company's plan in CSR activity? Please tell us about it. Rest invests in your company, our code of BSE is 543441, respecting that, our symbol is CMS info, our management team is fulfilling its responsibility, and giving good returns. And in the future, just like you are smilingly giving the board the opportunity to say shareholder, run the company in the same way, and God will make

our company Thank you for the management team. Thank you for the Secretarial team.

Debashis Dey

Thank you, Mr. Manjit. Thanks a lot.

Next speaker, Ravi Kumar Naredi.

Ravi Naredi

Yes, good day and good afternoon to all board member and CMS team. So, just I want to know about your new business which is with NBFC which started on pilot mode in FY24. Do we make a recovery from those customers who do not pay to NBFC on time, or we do work of cash in transit of the collection done at a NBFC location. That's all from my side.

Debashis Dey

Thank you for being short and sweet, Mr. Ravi.

Next speaker is Ms. Lekha Shah.

Lekha Shah

Hello, am I audible, sir?

Debashis Dey

Yes, you are audible.

Lekha Shah

Respect to the chairperson, board of directors and my fellow members, good afternoon and regards everyone. Myself, Lekha Shah from Mumbai. First of all, I would like to thank our company, Company Secretary Debashis and his team for giving me this opportunity and for smooth process where I am able to talk in front of all in AGM. I found the AGM notice and I am delighted to say AGM report is so beautiful, full of colors and fact and figures in place. Also, it's really useful with lot of information. Thank you, ma'am, for explaining us well about the company. Congratulations for excellent work, ma'am. Ma'am, I pray to God that she always showers her blessings upon you. Thank you, Rajiv sir, for such a informative and wonderful presentation. Again I thank our Company Secretary Debashis for the best performance and always

outstanding support for all my doubts. Hence, I have no questions today, ma'am. Ma'am, I hope the company will continue video conference meeting in future. So I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you, ma'am.

Debashis Dey

Thank you, Lekha ji.

Next speaker, Mr. Satish Shah.

Moderator

The speaker shareholder is not connected. We can move to the next speaker.

Debashis Dey

Ok, Next speaker, Mr. Vinod Agarwal

Vinod Agarwal

Respected Shyamala Gopinathji, Mr. Rajiv Kaulji and Debashis Dey, CFO Pankaj Khandelwalji. Good afternoon and regards to everyone sir. Sir, we have a very good performance over the years. We have been doubling our revenues and PAT every third year, fourth year, sir. And this is what you're likely to keep on doing, sir. The CAGR of 23%, 24%, 30% is very achievable. I compliment Mr. Rajiv and applaud him, Mr. Rajiv Kaul. He's a path creator, sir. He created his own path. He didn't follow a path taught by others. There are different kinds of people. Also, he has a stake in the company.

This year that we are talking about, sir. And, sir, the Capex done and the cash liquidity which I'm seeing, the 784 crores cash liquidity, zero debt. These are very rare kind of companies which keep on doubling your profits and revenue. Very rare kind of companies. And I wish the company all the best and I hope they will keep on doing this in future also. We've got six, seven lines of businesses at the moment, ATM management, machines, ATM management, cash management, cash logistics, everything. Seven and all are doing well for us. I wish the company all the best, signing off Vinod

Agarwal from Mumbai. I wish the company all the best, sir. And the dividend, 5 rupees 75 paise, is very good, sir. Thank you.

Debashis Dey

Thank you, Vinodji, thanks a lot.

Next speaker is Mr. Rajendra prasad Joshi.

Rajendra Joshi

Respected Chairperson, Shyamala Gopinath Madam, and our Executive Vice Chairman and CEO, Sri Rajiv Kaul Sirji, and our other directors presenting in the meeting, AGM, today's AGM, myself, Rajendra Prasad Joshi speaking from my residence at Mumbai. Sir, at the outset, I welcome our new Secretary, Sri Debashis Dey and I wish him all the best for his future prospects in our company. Madam, I received the annual report well on time. Many thanks to the company secretary and his team for their good services. A special compliments to the company secretary, CS team and accounts team for excellent presentation of all essential facts and figures of the company's operation in the annual report. Annual report is very comprehensive and transparent. Sir, keep it up. Madam, I congratulate you and the whole CMS team for a strong performance of the company in FY23-24. Revenue surged by 18.28% to Rs. 2,265 crores over the previous year. Adjusted EBITDA rose by 16% to Rs. 641 crores. Adjusted profit after tax increased by 23% to Rs. 375 crores on YOY. Madam, EPS also increased to Rs. 236.96 from Rs. 19.76 in previous year. All the parameters we see there is a growth on the financial front. Thank you very much for the increased dividend of Rs 5.75 per share this year. Madam, our company's AIOT remote monitoring solution is a very lucrative product having vast prospects in the future. Our R&D should innovate some more similar products to enhance the business and revenue for our company. You may also look forward for the ATM cross prevention tools. Madam, now I have only two queries. Madam, what is the revenue contribution from AIOT remote

monitoring solutions and what is this process for growth. Second question is what tailwinds you see forward in the business of our company. With this, I thank Chairman as well as our Company Secretary for giving me this opportunity to speak from this platform and I also strongly support all the resolutions of today's AGM. Thank you madam, thank you very much, thank you secretary sir, thank you.

Debashis Dey

Thank you Rajendra, thank you.

Next speaker is Celestine Elizabeth Mascarenhas

We are not able to hear you. You may need to unmute yourself.

I think there is some technical issue. We can move to the next speaker then. Next speaker is Mr. Jehangir Batiwala.

Jehangir Batiwala

Respected Chairperson, Mrs. Shyamala Gopinath, Madam, Executive Vice Chairman, full-time Director and CEO Mr. Rajiv Kaul, President and CFO Mr. Pankaj Khandelwal, Company Secretary Debashis Dey, other very eminent and distinguished dignitaries on VC panel, fellow shareholders on VC, good evening to all of you. My name is Jehangir and thanks for inviting me to speak and address this magnificent gathering.

Compliments the board for declaring a final dividend of rupees 5.75 rupees per share, that is 57.5% per share. But since that with an EPS of almost rupees 21.82 per share, it feels a little less. You could have taken it to around 8 or 10 rupees per share and broaden the smiles in the face of the shareholders.

So if you can highlight what you are going to do with the rest of the money. So next, I can consider the same. Ma'am, if you could kindly highlight the progress of our six subsidiaries, we are working and how much they contribute to the bottom line and top line of the

balance sheet. Ma'am, we have got two business verticals that is cash logistics and managed services. In cash logistics, we have ATM cash management, retail cash management, and cash in transit. We have 40% revenue share of the total market. We have 40% of the total market share in India, with an increase of 10% across India. Ma'am, what are our plans for the next two years for increasing our market share in cash logistics? And also, who's our competitor?

Do we plan to go global? Ma'am, in our managed service businesses, we have almost doubled our services from 2014 onwards. Today, orders aggregating to around 18,500 million rupees are in pipeline. Ma'am, currently, what is our order book value and what is going to be the blueprint for expansion the next two years down the line, two to three years. Also would like to compliment the company secretary and his team for bringing out a detailed voluminous AGM report of almost 252 pages. But if I may, if you may permit, I would like to just give a small suggestion. The corporate information which is printed on the last hard page of the AGM report. If it can be shifted to the front page, it carries a because that is what our company is. When you open the AGM report, the first thing we like to see who's at the helm of affairs, who's in charge. So it makes that impression is like we read and we come to know who's in charge. And behind that page, a 10-year financial highlight in simple Excel sheet format can be printed, carrying all the heads in one order. So, as an investor that one page is sufficient for me to keep for the next year. It also shows at a glance of the company is growing, which is partially colorful, neat printing, knowledgeable, transparent and above, adhering to all the norms of corporate governance. And we've received all our physical reports on time. Also big thanks for providing, big thanks to the CS department for providing excellent investor servicesto the shareholders. It's quite heartening to read that we provide our services in banking sector in remote areas, reaching

altitudes of over 21,000 feet in Ladakh, near India's adversary and also facilitated banking services through helicopter from Rudraprayag to Guptakashi to Kedarnath temple that is 11,755 feet which is remarkable and shows the level of commitment. It also shows that we have covered the length and breadth of India by almost 10 lakh kilometers providing service every month of formal banking for Indian citizens. We have so far installed about 40,000 plus ATM machines. How many more do we plan to install and what is our target figures and target areas and target audience? The CMS at a glance on page number 7 is well depicted and self-explanatory and ma'am any new verticals for revenue generation you plan to set up in near future. We were happy, we are very happy to read that CMS has been helping government of Odisha to distribute pension amongst senior citizens across 20 plus districts and we have 2000 plus panchayats, 100 milk societies and 1 lakh dairy farmers benefiting from this services. Since this is an encyclopedia of knowledge, there is lots to discuss, read and understand, but there is shortage of time and many more speakers to speak after me. Hence, I curtail myself and just put forth some normal queries like, what is the CAPEX that you are looking for next year and how do you plan to fund it? And if you have any R&D facilities that CAPEX for that and how do you plan to fund it? And what is the role of AI in our day-to-day functioning of company? Ma'am, we had ESOP services twice.

Can you just share with us how many how much of our staff has opted for the scheme and what is the percentage of shareholding that they own? Any new services you plan to introduce any acquisitions or joint ventures on cards, the company's organic growth under your dynamic leadership and the roadmap. Thank you for patient hearing, ma'am, and wishing you all the best, you and the board all the best for the future.

Also forwarding compliments of the festive season, which will start to the board and the complete family of CMS info. Thank you. We have supported all your resolutions wholeheartedly through e-voting. Thank you very much for patient hearing, ma'am. Thank you.

Debashis Dey Next speaker is Mr. Bimal Agarwal.

Bimal Agarwal First of all thanks the company Secretary Debashis. I also welcome him from this company and sir you have sent me the physical copy of the annual report also thank you sir and your team is also very good and they called me and told me tomorrow is the meeting thank you tell them thank you also. my question was already raised by the other speaker. I got nothing to add only. I want one question only. How we can constrain the profitability in future? That's all. From me, thank you because I don't want to waste other people's time. Thank you very much.

Debashis Dey Thank you. Thank you, Mr. Bimal for being short and sweet. Next speaker is Mr. Samrat Sarkar.

Samrat Sarkar I just have only two questions. Number one, how do you anticipate the growth to be in the cash management service segment in the coming few years? And so my second and last question would be, what's your long term vision of our company and where do you want it? Where to? Where do you want us to see position 5 to 10 years hence that is it?

Debashis Dey Thank you. Thank you Mr. Samrat.

Next speaker Mr. Gaurav Rozatkar

Moderator The speaker shareholder is not connected. We can move to the next speaker.

Debashis Dey Okay. So, next speaker Mr. Rajesh Chainani

Moderator The speaker shareholder is not connected. We can move to the next speaker.

Debashis Dey Okay. Then we come to the final last speaker for today's AGM, Mr. Vinay Bhide.

Vinay Bhide Chairperson, Mrs. Shyamala Gopinath, CEO Mr. Rajiv Kaul, Mr. Tapan Ray, other distinguished directors present at today's meeting, company executives, fellow shareholders has already announced, My name is Vinay Bhide and I'm a long-term supporter and shareholder speaking from Mumbai. Congrats for the revenue of 2265 crores at 18% growth and a PAT of 375 crores at a 23% year on growth. Congrats for the performance of both cash logistics as well as managed services. Cash logistics has a 40% revenue share of the organized cash logistics market. And we are very pleased about this handsome figure.

Now, I have gone through the annual report as well as the financial performance that we have depicted on pages 12 and 13 of our annual report. I find that there is very little to ask from these because they have performed well, we have given dividends, we are growing year after year. I have got just one question which I have managed to pick up from the accounts and I requested to refer to page number 154 of your annual report. So the item there is serial number 20 and other income, other income is 500 million versus 150 million in the financial year 23, that is the previous year and it is shown as an income from as a dividend from subsidiaries. Now I believe you know you can confirm whether my understanding is right or not, like the growth of the company, I believe that the growth of the

subsidiaries also will follow you know like the growth of the company. So can we safely assume that you know we will be able to earn as good dividend from subsidiaries in this financial year as we have done in the financial year 2024.

Otherwise, I think we are on the great path, not much questions to ask. And in closing, I must mention that Mr. Debashis Dey and his team have done all their very best including participating us at this meeting, sending the annual report and ensuring that the participation is safe and smooth. I support all the resolutions, and I thank you once again for giving me an opportunity to speak, thank you.

Debashis Dey

Thank you so much. I think that concludes the list of speakers.

I now request Mr. Rajiv Kaul to kindly continue with the proceedings.

Rajiv Kaul

Thank you for your questions. Thank you for the feedback.

Give us some time, we'll try to respond to your questions very shortly. Till the time we collate all the questions, a small video will be played and thereafter I will be answering and responding to your queries.

[Video is Played]

I would like to once again thank all the speaker shareholders for their valuable feedback and their questions. I'm going to now proceed to respond to the questions and queries you have raised to our company.

Our plan around the festive season and how we manage to increase workload. As I stated, we are very closely linked to the consumption

patterns in the country. Third quarter usually is linked to higher consumption and we do see a spike in the activities for our company.

We have been in this business for more than 15 years, and therefore we have over time built our network and technology to be able to ramp up and ramp down basis all of these changes which come with seasonality in India.

The question on risk and what type of insurance policies do we have across our people infrastructure, this is covered in detail on page number 80 of the annual report in the MD&A section, but you have to just to reiterate, we have a very robust risk management process given the nature and the quality of a company. In terms of insurance, we have a very comprehensive risk management framework. Insurance is a key aspect of this and we are fully covered for any CIT, cash in transit risk, any fidelity issues, any vault issues or other natural perils. Our employees are also covered through best-in-class insurance policies in comparison to the market and the sector.

For a CSR, you already had a look at the video which talks about CSR activities. This is covered in detail on page number 24 to 29 of our annual report. The specific question to Kerala right now and what is happening in, what has happened in Wayanad, our teams were there within a short time and they were there through our network, our fleet, they were able to bring in food supplies and medicine packets, which we were able to use to help around 500 families in the affected villages. And we keep trying to increase effort and what we can do to help this community.

There were questions around collections, around debt collections, around NBFCs. So just to clarify, our collections work is to help banks and NBFCs improve their debt collection efficiency, which will include helping them with both technologies, data analytics,

contact center operations, and also field services. We have already in the first year of incubating this business, on boarded 8 to 10 NBFC clients, and we will use FY25 to do further work, post which we can give you a more detailed update.

Our revenue contribution from AIoT remote monitoring, just to remind some of you, this is a business we launched in only in 2021, is one of our youngest and newest businesses. It has already crossed a 100 crore annual revenue run rate number, and we are currently targeting the banking and financial services sector. We have already more than 25,000 sites live with our technology infrastructure in this. We are heavily investing in AI modules and software for creating use cases which can be of benefit to customers.

We are, as of now, our revenue in the sector contributes four to five percent of our annual revenue, and we are targeting to grow this contribution to 8 to 10 percent in the next three to four years.

Around the questions on usage of our cash and cash balances and reserves, our growth CAPEX estimate as of now for FY25 is about 275 to 300 crore rupees. We have a very healthy pipeline of growth opportunities through mergers and acquisitions which you continue to examine.

In terms of questions on dividend, we have been a regular dividend paying company for the last five years, and we have steadily increased our dividend in these years. And as we said, last year we have paid 25% of our PAT. We do feel that with the growth opportunities, which will need growth CAPEX and also M&A, we should have sufficient cash reserves to make sure your company can seize these opportunities when they arise.

Inter the subsidiary results and dividend from subsidiaries, the business contribution from subsidiaries, this you can see on page

236, schedule 40, 89% of PAT and the revenue is coming from our parent entity. One of our key subsidies is contributing to 10% of a PAT and this was 9% last year. This company has given dividend in both of these years.

In terms of our plans and questions for increasing a market share and cash management, our company as I said a good management team will always be focused on growing market share, driving revenue growth and growing margins healthily. We are constantly trying to make sure that we are making the right calls depending on each business line and where it is in its growth phase and competitive intensity.

In our cash management business, our market share at revenue is roughly about 40% today of the outsourced market. And if you think of specifically the ATM cash management market, our market share there has grown from 40% to 49% over the last few years.

Our focus will always remain on high service quality, robust risk management and increasing our network and reach.

As of now there are no plans to go outside the country and we intend to focus our efforts and investments in India.

From a number of ATMs and the plans to install more ATMs, you have to keep in mind that banks have been constantly expanding their branch infrastructure over the last one to two years and this will create a multiplier effect on ATM growth. Usually each branch comes with two ATMs, one inside and one outside. In fact, in the last 12 months, various banks in India have issued RFPs for almost 40,000 ATMs to be procured under different business models. And we expect this trend to continue. In fact, we have won orders of 1850 crores in our managed services and technology and most of them will go live and get executed this year.

Questions on new verticals? I think we have already, I have shared the new verticals which we are examining in my presentation. And just to remind you, we are looking at debt collection solutions, valuable logistics. These are the two areas of current focus for us to incubate.

From a capital spend plan, in FY24 we had a capex spend of 95 crores because some of the orders as they came later, the execution of that spilled into FY25.

FY25 has said the order, the CAPEX estimate is 275 to 300 crores. Average CAPEX for both these years, FY24 and FY25, will be roughly about 200 crores each, which is broadly in line with the guidance we have said that we estimate to spend 200 crores of our earnings in towards growth CAPEX in the foreseeable future.

From R&D expenditure perspective, you have to recognize that we are a services company and the technology operational expenditure as part of our R&D expenditure is almost around 1% of our revenues.

There are questions on ESOPs and employee shareholding and all of these details are on page number 234 of the annual report.

Acquisitions under planning, I think the areas we have talked about where we are incubating new businesses, in addition, we continue to look for opportunities in B2B FinTech, in AIoT remote monitoring, and banking software. These are areas we continue to look for a synergistic acquisition which can create shareholder value in the midterm. When we have any important development, we will update you.

There are questions on what are the growth forecast or estimate for cash management business going forward. The cash logistics

business is today almost 60-61% of our revenue and we estimate that given the macro opportunity and the outsourcing opportunity in the country, this sector should give us a 10-14, 11-14% sort of growth in the coming years.

A lot of it is of course linked to how fast banks look to outsource their ATMs, how much of the retail market continues to grow and what are the overall consumption trends in the country. We feel the retail cash solutions business is a decadal opportunity

Links to what we have seen in terms of retail sector growth in the last 12 to 18 months.

There were three questions around our vision for the next five years. Our outlook for FY25 including what we think our EPS could be and what are the tailwinds for our business.

I'll try and summarize the answers for all these questions together. As a company and as a management team we refrain from any margin guidance. We focus on giving midterm revenue guidance. Our current midterm revenue guidance is around FY25 targets and which you have already reiterated are likely to be in the 2500 or 2700 crores. We feel as of now reasonably confident that this is more likely to be in the 2600 or 2700 crore revenue, which would indicate a 15 to 19% revenue growth opportunity for us in this current fiscal year. Our growth is closely linked to those themes of increased formalization due to GST, increased outsourcing from banks and financial services organizations over time as they look to outsource more non-key items and increased consumption and growth in the per capita GDP of India, of course, supplemented by any M&A efforts to expand into new solutions or consolidation within our current businesses. We are seeing opportunities across all of these.

Over the long term, I think we remain true and focused on trying to become a broad and leading business services platform, adding value to our customers through high quality services, through a very deep network, which is unparalleled in the country, and through a robust governance and risk management framework.

Thank you so much. I am going to now authorize – well, sorry, I think I have responded to almost all your queries from the notes I took, but if there are any specific queries which I may have missed out inadvertently, please write to our CS team or investor relations team and we will revert on them immediately.

I would like to now authorize Mr. Debashis Dey to receive the scrutinizers report containing the consolidated voting results and also request him to brief the shareholders about the e-voting process before we conclude today's proceedings.

Debashis Dey

Sure sir. As per the provisions of Companies Act 2013 and the rules made there under and as disclosed in the notice of the 17th AGM, the company had provided remote e-voting facility to its shareholders from 9 a.m. of Saturday 3rd August 2024 to 5 p.m. on Monday 5th August 2024. For the benefit of shareholders who are participating in this meeting but have not yet cast their votes through the remote e-voting, we have provided the facility for electronic voting on the same NSDL platform and such shareholders can exercise their vote now.

Please note that the e-voting platform is presently open and shall remain open 15 minutes after the conclusion of the proceedings of this meeting.

Mr. Mukesh Siroya, Proprietor of M/s M Siroya and Company, Company Secretaries, has been appointed by the Board as the Scrutinizer for the e-voting. After the conclusion of e-voting at the

AGM, the scrutinizer shall open the voting records and make a consolidated Scrutinizer Report of the total votes cast in favor and against the proposed resolutions.

The results shall be declared within two working days after the conclusion of this AGM, and the same will be intimated to the stock exchanges and disclosed on the notice board and the websites of the company and NSDL. May I now request the shareholders who have not yet cast their votes on the resolutions to please do so immediately.

And finally, I request Mr. Kaul to formally conclude today's proceedings.

Rajiv Kaul

I would like to thank all the shareholders for attending and participating in the 17th Annual General Meeting of your company and I look forward to your continued support and blessings. With your consent, I now declare the meeting is concluded. I and the other board members would like to take your leave.

Namaskar and Jai Hind.
