TRANSCRIPT OF PERMANENT MAGNETS LIMITED – 60TH ANNUAL GENERAL MEETING HELD AT 11.30 AM ON TUESDAY, AUGUST 17, 2021 THROUGH VIDEO CONFERENCE

Mr. Sharad Taparia, MD

Good morning to all,

I, Sharad Taparia, we are attending the meeting from Mumbai, extend a warm welcome to all of you at this 60th Annual General Meeting of the Company. In view of the continuing restriction on the movement of people in several places in the country, the Ministry of Corporate Affairs and SEBI has allowed companies to conduct their AGMs through video conferencing or other audio visual means without physical presence at a common venue. Accordingly, your company is conducting this meeting through video conferencing for the second consecutive year.

I hope that all of you are safe and keeping well during these tough times.

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.

Ms. Kanchan Rajput, Statutory Auditor

Mr. Karan Verma, Statutory Auditor and

Mr. Hemant Agarwal, Statutory Auditor

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 60th Annual General Meeting.

Rachana, over to you.

Ms. Rachana Rane, CS

Good Morning dear Members,

I welcome all of you to the 60^{th} Annual General Meeting of the Company being held through Video Conferencing and Other Audio- Visuals means as permitted by the Ministry of Corporate Affairs and SEBI.

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. We would request the registered speakers to kindly restrict their speech to not more than 5 minutes and also not repeat matters already covered by the previous speakers.

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 electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by the CDSL.

With the permission of the Board of Directors, Shri. Sharad Taparia has been appointed as the Chairman of the Meeting.

I would now request our Chairman to kindly take over and continue with the proceedings.

Thank You.

Over to the Chairman Sir.

Thank You Rachana

Chairman Speech by Mr. Sharad Taparia

Good Morning Members,

On behalf of the Board of Directors and on my personal behalf, I welcome you all to this 60^{th} Annual General Meeting of your Company.

It is a pleasure to connect with you all again. Due to COVID-19 pandemic situation this time we are meeting through Video Conference to maintain social distance for the safety of all concerned. I thank all of you for joining us virtually at this AGM.

The Annual Report together with the Audited Accounts and the Director's Report for the year ended 31^{st} March, 2021 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, and the general outlook for the sector.

Performance Highlights

The Company achieved Net Revenue for the year 2020-21 at Rs. 117 Crores as against Rs. 109 crores during the previous year.

The Earnings before interest, Depreciation, exceptional items and Taxes (i.e EBIDTA) during the year under review have been at Rs 26 crores as against Rs. 23 crores in previous year. Net Profit, after tax of Rs. 16 crores as against Rs. 14 crores in previous year.

Dividend

I am happy to announce that the Board of Directors recommended Final dividend @ 10% i.e. Re.1/- per equity share for the year ended March 2021.This is subject to approval by the Shareholders at the Annual General Meeting.

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

Business Outlook

The long term outlook for PML's business is positive. The Company has been constantly working towards building a pipeline of projects for growth. The Company is also undertaking several initiatives like cost optimization and will focus on productivity improvement measures to maximize profitability.

The government's stimulus packages, efforts to introduce favorable reforms and policies are steps in the right direction. These are very encouraging signs for the manufacturing sector and a boost to exports.

The Company will endeavor to sustain this phase in a prudent, balanced and agile manner and emerge stronger once the crisis gets over to resume its growth and expansion trajectory.

Acknowledgement

In conclusion, I would like to thank our Board members for their commitment and sincerity towards the Company. I thank all our Shareholders for their relentless support. Our employees are our strength, and I thank them for the value, passion and enthusiasm they bring to work. I look forward to a successful year ahead amidst all the challenges that 2021 will bring.

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

Ms. Rachana Rane, CS

Dear Members,

As required under the law, the Company had provided remote e-voting facility to the Members to cast their votes electronically in respect of the business stated in the Notice dated 25th June, 2021. Members may kindly note that there are 4 (Four) 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.

Three items of Ordinary Business to be passed as ORDINARY RESOLUTIONS which are:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 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 Re. 1/- per equity share, for the financial year ended March 31, 2021.

3. To appoint a director in place of Shri. Mukul Taparia (DIN: 00318434), who retires by rotation and being eligible, offers himself for re-appointment.

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

4. To approve requests received from Shri. Anupkumar Taparia and Family for reclassification from "Promoter and Promote Group" category to "Public" category.

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 the 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 Register Speaker to express their views. We already received questions from Register speakers, so the answers to all the questions will be provided once the speaker's speech is done.

So I am calling our 1st Speaker Mr. Ankit Gupta

Mr. Ankit Gupta, Shareholder

Thanks good morning to all the board members.

Good morning, sir you know, we have been, tracking the company for almost 3-4 years now and I've been meeting you through online as well as.

We had meet 2 years back at so, you know, a few more things we keep on trying to understand the company in detail.

A few questions to understand how the trajectory of the company is growing in terms of new contract if you can on the automotive side,

If you can talk about how our programs are progressing for the component that we supply, and on the automotive side How has the relationship scale over the past 3 years? I think in the last call you said that you have 7 customers who are working with currently.

So, how do you see this relationship scaling over the next 3- 4 years.

In our earlier discussions, you had highlighted that, you know, this, on the automotive side You know, current sensing technology is still evolving do you think it has reached a time, or it has reached the point where the technology is stabilizing and we are present in the technology,
which will be scaled up in the future also, if you can talk about how which are the customers that we have added over the past 3 years on the automotive side and, you know, normally are components on, the electric meter side are relatively low value product less than2-3 dollars per se. So, on the automotive side, what is the typical component price that we manufacture?

I know it will very different, the kind of component that we manufacture and the client, the kind of clients we have, but on an average, if you can give a broader broad range on a, for the price for automotive customers, a total that we manufacture apart from current sensing also trying to enter new areas on the automotive side, if you can throw some light on that and a, like, a last question on the automotive side,

how do you see the growth for the segment over the next 2-3 years?

I think in the last phone call you had highlighted that this segment is expected to do 22, but over the long term in 3-4 years, how do you see the scaling up of this segment?

On the smart meter side, how does the growth look like, or for the segment over the next 2-3 years, and any signal in addition to the customers that we have done in the past 3 years.

On a 1 broader question on the company strategy. we have been trying to. A graduate to a module supplier from a component supplier, and I think we have taken some baby steps regarding this. So last year. So, how has been the progress on that side?

Have we been able to get any successful projects for manufacturing of modules and if we talk about modules compared to component how, what is the opportunity side size on the module side, in terms of, you know, cause basically let's say if the component side on a smart monitor is around 200 dollars.

So compared to that, you know, how is the type, how is the price of module? So if you can give some color on that, it will be helpful last question on the growth trajectory side.

When last we had talked that if the call with a subsites, and, you know,

we come out of it at FY 22 was looking a good deal that was almost a nearby and so I think globally, although there are sports in cases here and there. But, you know, the develop economics have relatively stabilized in terms of, for cases and even in the past 1 and half months, we haven't seen any significant rising cases. So, how do you see the growth?

So, for this year, and the next 2-3 years, how does that go in terms of revenue look? Like, do you think we have an ambition of throwing and touching when we met you for the 1st time?

3 years back that you had an ambition of touching doubling ourselves? To 200 – 250 cr, in next 3-4 years we do understand that last 2 years have been challenging, but given the current pipeline, and given the current projects that we have.

Do you think we can touch to take sales over the next 2-3 years?

Yes, thank you.

Mr. Sharad Taparia, Chairman

So, let me answer you 1 by 1, I think we have received the question. Those are pretty much covering what you asked right now.

So, see, PML, has been working with more about 7 customers, actually, we have increased and now we are working with much more number of customers more than 7 over the last few years and, these are exciting projects. Different projects with different potential volumes. Because the products are customized. They are not standard products. These are designed. Most of them are designed by the customer. So, we are developing as per their design. One product cannot be sold to another customer. And most of these Projects that development phase with the customers.

The relationship question that you ask with these customer, the relationship is very good. We are working with the designer team, which are engineers of these customers, once the design finalized types samples are submitted. Then it goes into the purchase department and then commercial supplies start agreements So that is the stage we are in with most of these customers. The good news is that we are in touch with more, much more number of Customers in 7, so hopefully in the next Coming years we will see benefits Of the effort that we have done now.

The another question that you ask was how many new customers so you added much more number of relationships. I would say Which are going to materialize in the next few years.Then you had asked about cost of typical component.

So typically, The sales of each component ranges between about point 2 dollars to about 2 dollars at the moment for export customers. For automotive segment once we Develop modules, this will increase multi fold because a module not only contains the Component it is much more value added. We will use more some part of software, so it is. much more higher in value edition again. It depends on the applications. So I cannot elaborate is multi dollars per piece as compared to what we are selling today.

Another question you ask, what are we trying to enter new areas for automotive customers?

Yes. We, what we do is we demonstrate capability to our customers and the customers pick up from there, and they give us new opportunity. This has happened.

In energy, because also, and this is happening In automotive also, so we are full that other than the current sensing some mechanical applications something. Or some electrical applications that also is an opportunity On the company purely because we have demonstrated capability for refactoring those parts, the process capability, understanding of metals and understanding of assemblies this is helping us.

The other question was, how do you see sales of segment going growing over the next 2-3 years.

Now, let me divide this into 2 parts segment for automotive. We expect the good growth. I cannot give you exact numbers, but that totally depends on the demand and how with situation. Out there is also a shortage of chips The semiconductors that is affecting both.

The demand also depends on when, and how customers do the start of production for each project, because each project has a different start of Option laid out, so all of this, but we are very optimistic about the segment.

Similarly, on the smart meters, the big news is that government is allocated 22,500 crores for replacement of meters. For about 25 coordinators, and so demand is expected to be very good.

PML has already started working for products related to this opportunity. These meters are smart meters they use. Some different components inside, so we are working with our customers to see how we can and catch this opportunity, but we are expecting a good growth in this segment as well.

So, overall I can say that we are quite bullish in both these segments,

Your next question was any significant Large customer added during the last 2-3 years?

Yes.We have added, we prefer not to name any customers.

Then your next question was moving from Component to modules and how we are progressing in that?

We have taken baby steps. Yes, we are progressing in some of these projects. I think about 2 projects we have started small commercial supplies still. We have not got any big success, but we are moving towards that direction. So that is the right direction for the company. So we are, we are going towards that direction all that. That is all that I can tell you at this moment,

Your next question was a whether and how we can reach to 250 Cr mark?

See in the year 18-19 we crossed Rs. 100 cr sales 1st time. Our next target is wants to double this turn over to page 200 for annual sales mark and we are working towards achieving this earliest. We cannot say exactly with this can happen in the next 2-3 years, but yes, our target is that.

This year we are expecting a growth around 12 to 15%.

Based on all the, conditions that we see, this is our estimate, because it may change from time to time based on customer demands, Semiconductor shortages. There are many challenges, but this is our estimate we can grow around at this rate.

Next year again, depends on how many projects we makes it, but yes, our target is to 1st Cross to 200 cr mark earliest as possible. I cannot give you exact number of years, but we are, we are optimistic. We are very optimistic.

1 more question you had asked about. Technology for current sensing broadly there are.

3 methods of current sensing, which is the Shunt, CT and the hall effect technology, so PML is presenting all these 3 sectors. The components that PML is using is different for different applications. Yes, customer the design Specifics around these 3 technologies.So, technology broadly is the same But customer design keeps changing and they keep tweaking the materials.
Tried to cost optimized by reducing expensive components and going to lower cost components.PML Also helps them in doing this. So I think broadly I answered your question that. In a sense, the base technology remains the same. But application to application and module to module what the customer design that keeps on changing and that is where we have to again submit our samples. Customer approves it and then that is how the new project goes on.

I hope I answered your questions.

Ms. Rachana Rane, CS

Thank you sir.

Our next speaker is Mr. Hardik Jain

Mr. Hardik is not present in the meeting.

So, I'm calling of a next speaker. Mr. S P Mittal

Mr. S P Mittal, Shareholder

Yes, sir. Thanks for the opportunity. I've already sent out my questions through email so I'm saying I'll just repeat on the Questions, few key questions that I sent out. A company data, company have any large customer projects in By 21, any new customer went off, I think you shared in 1 of your couple of, answers before. That there were several additions, but anything new you can share, or, you know, the kind of project that you have shared, if not the specifics. But, you know, if you could share what kind of opportunity that is, and also gave us a sense of, you know, what Opportunity size of it and if it is in, you know. In terms of even not because that would be really helpful.

Then so, secondly, company has made the action that we are working towards some aerospace components, and in the last AGM, also, the company updated that we are working towards some parts and confidence that will go to the government and tier 1 companies like. So, is there any further update on that part of the business? I think that any Either 2 or anything pipeline that we are looking. so that is my 2nd question,

I think,in the last Con-call or highlight in that, looking to set up a new facility, and I think together different units into a 1 and bigger the unit for the update there, have you been able to.
Yes, also overall, I think you touched upon this point that we cross 200 Cr of revenue.

Can you also share, you know what it is? The outlook going forward? How are we seeing the kind of projects that we're getting and overall, you know, your assessment of things, if you could share some more.A qualitative insights that, all of us on the same page, in terms of where we are headed. All the measurement is thinking on capitalizing on it. In terms of opportunities, there are tons of opportunities around kind of business so, how are we looking to, you know, how are we Putting ourselves I heard those are my few questions.

Mr. Sharad Taparia, Chairman

Okay, thank you. Yeah, so let me answer one by one.

You asked about large customer project wins in FY 21.

Yes, we have had several successes and these are, see, initially, when we get a success in commercial supply, it starts off as a small Volume and then over the years, it will ramp up.

This is generally the experience that we have so we have had a few successes and many projects are still under development and these are all having good potentials. Sometimes we get inquiries which show very large potential, but customer is trying to pitch themselves and, to their customer, these are tier 1 companies pitching to automotive companies and sometimes they do not have the project and so therefore we also do not get that business that happens. So we work on several projects. Sometimes our customer, when they don't get the project, then we also don't get the project. This is also happens. So, our job is to fill up the pipeline as much as possible that we have many, many Projects in hand, that is what we are trying to do.

Then you asked about the developments. That happen for the company and the EV industry.

See, the EV manufacturers, they are designing platforms. So whatever their plans are, they designed these platforms. The platforms require various products related to current sensing and while they are designing, they discuss PML about their proposals for the current sensing.

We suggest some alternatives and then they pick and then they give us to produce some prototypes and then we sign the agreement. This is generally the method, we work. So, I would say that the the greatest development that has happened over the last few years is that we are in touch with these companies?

That is 1 of the biggest developers that we come in touch with these companies work with engineers that puts us. In terms of getting these opportunities to get these opportunities we have to be in touch with those engineers, So that and we help them also, the reason they are in touch with us is because we are helping them up front with the designing aspect with alternatives with prototype samples. We do a lot of investment into these Areas, so that is, I would say the biggest development for PML that has happened.

Then you asked about aerospace components and Tier 1 companies who supplied these government.

So, company has been focusing on aerospace applications and these are mostly cobalt nickel related metals. The application require these metals and he takes and technologies although we have been working on these areas, but we have not still not got any commercial success. In the aerospace application, we have started 2 projects in these areas, these are export projects.

We hopeful of a good business for these projects but till now, we have not clicked any large business. These are very long term. Aerospace and defense, and these applications require a long term working with the customer, take a long time to approve. They do a lot of testing so we are pursuing those activities, but still, no large commercial success.

Then you asked about the new facility,

So, yes, we have plans to integrate all the 3 plans. Into 1, single facility also we will increase the space or together in that 1, single facility for future expansion growth. Currently, we have identified a few properties in the western suburbs of Mumbai and we are in the process of checking the legal status for those properties, so, I would say overall we are in making progress to move. In those, I mean, to finalize and buy those properties and then we will initiate the shifting there. But right now it is in the process of checking legal status for those properties.

Then you've asked about the what all thoughts on the Current state of things and going forward.

Outlook I would stay say is positive. We are seeing good opportunities. We are Building the pipeline, we are showcasing our capabilities to the customers. The capability is being our experience with metals, cobalt nickel, Aluminum and Magnets, and our process is like testing process treatment process. stamping die casting, assembly process. What we do is we showcase these capabilities to customers and given our quality systems, many customers gave us Opportunities for related parts and also sometimes unrelated parts. So, going forward, we are going to expand this method of working with the customers, I think we have, we are seeing Good, in traction with the customers by this process.So, what all outlook is positive.

So, I hope I answered your questions, anything, which have not answered please. Feel free to ask.

Mr. S P Mittal, Shareholder

Yes, I think you covered everything. Just 1 quick question again.

To any particular projects, or, you know, in the effort that you could share with us in terms of what kind of reports you are pursuing for, you know, 5-10 projects that could, you know, a qualitative sense. If you could check that will be.

I think in your answers that company have several projects in pipeline that you are working on smart meters in, or to so if you could just share some qualitative details, if not the customer need. Like, a qualitative aspect of it then what kind of Efforts you're putting in what kind of products you are developing on.

Mr. Sharad Taparia, Chairman

Before broadcast share with us through company to buy them a gap. So, I can't send you share the details with you, but let's say, for example, 1 customer is developing an EV platform that is going to be used for multiple automotive companies. So, they require Flux concentrator for those to measure current in that EV platform. So, we are working with them to give alternatives with different materials. There are different materials that we can use. We are working with them to give different materials and parts, we give them, they do the testing. and then they are in the process of selecting a particular But once that is selected and they will been their assembly of that part and offer to the final automotive customer. Final automotive customer will do the testing and once that is done, then The project goes in the ramp up phase, then it is commercial supplies. We will start manufacturing those parts that is how the process works I think that is all that's enough detail for you to understand. Similarly, there are other applications. Pretty much the process is same.

Thank you.

Our next Speaker is Mr. Nikhil Upadhay.

Mr. Nikhil Upadhay, Shareholder

Hello good afternoon. Thanks for the opportunity. I hope I am audible to you. I have already sent a list of questions. Yes, I think some of it you have already covered the on the EV side.

Just a few things, in addition, if you can just help me. So, if we look at our annual report, it seems our energy meter business is still the larger part. So, there is no bifurcation in terms of how much is automotive, or how much is energy meter for us. So, if you can just give us that break up for us as a company, how much that break up is and secondly, on the automotive side, you mentioned that a product design, a lot of product design the customer is doing and then we support with them in the product development whole of the life cycle. So, we are a tier 2 supplier to the Auto would be later passing it to OEM, or we work with the OEM, in the product design. If you can provide some details on that.

Thanks a lot.

Mr. Sharad Taparia, Chairman

Yes. So, See, the, the biggest business still comes from energy meters. This has been the conventional business of PML, since last many years. Earlier it was, magnets, which we're going to electro mechanical energy meters and now these are different components going to Electronic energy meter close about, let's say, 35% of the business comes from energy meters. About 25% comes from automotive. This is the break up of the financial year 2021, as we go along in 21-22 and the years for the depending on how fast each segment grows and which projects get commercial success faster. This proportion may change. We are not excluding any project with lesser priority, or higher priority. We are going into a certain direction, but whatever opportunities come our way we are considering all these opportunities including other than these applications also because we are now basing our business on our the capabilities of the company. They want the customer needs based on these capabilities we will cater to. Till now we have got success into energy meters and in automotive, and hopefully in future it will get success into other areas also.

Your next question was about Where are we in the tier system?

So, Automotive companies they buy from tier 1, these are assembling companies and we are a supplier to these tier ones. So we are, in fact, tier 2 company to the automotive, I think that answers your question.

Our parts going to an application, like current sensing application will be put into the inverter of a car that inverter will be supplied to the automotive company so that is where we are positioned in that. I think this answers your question that you ask right now, and then I will go through the question which you sent by email.

The 1st question you sent by was the Contingent liability, which is appearing so I think Mr. Sukhmal Jain can answer that question.

Mr. Sukhmal Jain, CFO

Let me tell you a history of this contingent liability. During their 1991 company has taken interest free Central Excise loan from Government of India through ICICI who is implementing agency. The principal amount is already paid in 2017-18. Bank in their normal practice, keep on raising demand on our Interest on this delay installment since the name of the scheme was interest free as per there communication with demand notice what our depressed explain the amount provided and amount raised was shown as a contingent liability. However, we don't expect any liability which is already provided over and over and we are working with the government of India to settle this as earliest as possible we hope to get some back through as earliest.

Thank you.

A decision for this will be taken by a government and not ICICI.

Mr. Sharad Taparia, Chairman

Okay, and then your 2nd question was we already answered. Then you asked about, Borivali property and 15% development rights.

We are entered into an agreement long time back and this project is stuck up. It is on hold. We are pursuing the developer to start the construction soon. It will happen soon. We are putting in all our effort to do this. We hold the 15% share of the developed property.

Mr. Nikhil Upadhay, Shareholder

Okay, Hello? Yes sir. just two questions, sir, on the electric meters part, you mentioned that, 25 cr meters who would be other competitors and what kind of market share? Do you see we can a gardener here and once this 25cr is done over a period. Do you see a replacement market for these meters like the traditional meters, or? This would be like, 1 time business. Similarly, in our annual report, we mentioned about gas meters as a good business opportunity, if you can just help me understand, because with the CGD network and all being put in place, do you see good business opportunity and who would be competitors in that segment as well?

Mr. Sharad Taparia, Chairman

Yes, so competitors in energy meters we have a few. Mainly 2 companies in India and but we also face competition from Chinese companies. So, depending on the quality requirements of the energy meter companies. They choose their suppliers and cost consideration, they will choose their suppliers and it really depends on, their quality levels what they want. So, I cannot exactly say what market share we have, but we are supplying to major companies which producing good quality meters in India and you asked about the replacement market after these 25 cr meters are installed. Yes, we, in the past also, we have seen that whenever government that had the Grams of installation there was a replacement market. Not only that India, the housing sector actually will grow as the economy overall growth. So, as the housing sector grows, the energy meter demand, also, the industries energy meter demand we expected to continue. There is a certain expansion always going on. India is still not a mature economy, like the United States or European economy. It is still a long way to go. So I would say that my expectation is that demand for an Energy meter will continue. Maybe a little plus minus who once this 25cr replacement is gone has happened, maybe the demand will be lesser, but. It will not be 0, it will not come down drastically. There will be a continuous expansion going on.

You asked about, Gas meters so again same for the gas, because I think the installation in India is very, very less currently for gas meters, it should go up substantially. Therefore the companies and our customers, they are all invested into Capacities for the Gas meter production for PML we have still not got large success in the gas. We have got only Success in 3 projects that to only for export market. So, we are still trying to get projects from Indian companies. Trying to see what we can do for them because these are all electronic gas meters.Currently, what we are supplying part is for Electromechanical gas meters, which are diaphragm type gas meters. So, we are yet to develop products for the electronic gas meters, so we are a little bit far away from commercial success for Indian companies for gas meters, but we are working hard on that.

Thanks Sir. thanks for detailed answers.

Thank you. Thank you.

Our next speaker is Mr. Dhwanil Desai.

Mr. Dhwanil Desai, Shareholder

Hi Sharadji, congratulations and I think quite a few of the questions covered and I won't repeat that. 1st I think in our introduction, we understand that the average ticket size of the component that we supply on the energy, we clarify Optimistic market around 20 will be and for export market, maybe 100, but average utilization is 40. Now. My question is that we are you know, at hand, when you go or number, and if we really want to go to war, you know, we need very, very large volume to each. Then, unless our average unit extension so what are your thoughts on that? And what are we doing to feed that? I know that we are moving from components to module that's 1 part, but other than that, anything else that we are doing Or you make realization that my 1st question, and 2nd question is, I think you mentioned that vacuum shows it 1 of the a guy fields that we look forward to when we are in our space. So I was going through then some of the product and they had.

You know, induction based charging where they use differential technology to kind of monitor the charging and then disconnect when charging is stuff. Are we into touch area? We have really working on 1st product and economic. We have the capability to kind of tailor that kind of. So, I think it expelled the person having come.

Mr. Sharad Taparia, Chairman

Yes. Okay.So, your question was regarding the, mainly what I understand, How do we go grow to 200 cr. Yeah, which is our target. Yes so, I would say our focus here is not per unit realization. On focus is that we have to increase the Number of projects, and not only that. We have to increase the application areas also and once we do that, what we are doing is we are showcasing our capabilities to customer. So, for example, we are working in metals, like cobalt, nickel, copper manganese.
Electrical steel and allies and its application. Now, when we present ourselves. And also, sorry, the process is casting. He treatment stamping diecasting assembly. When we present ourselves to companies with these capabilities. We may not restrict ourself only to EVs or energy meters. Then we are expanding our scope. To many more areas that is the way to go forward to going towards the 200 core target. Fast as possible. So. See, as we are going along, we are also realizing what customers think is our strength We realize that, and then we showcase that into our presentations And that is helping us a lot. So I would say that the per unit realization is not Our focus area, even if it's a small unit for unit realization, we will take that project as long as the margins are good, and we are adding value to that. We will take that project and we will serve the customer, so I hope I have answered. I've answered you in a different way, but that is our direction. Let's see.

Then you asked about charging induction charging Products

we are not manufacturing any charger or charging stations right now we are at the component level which helps the company to design their chargers or EVs or the sensing current sensing there. So we are in the current Sensing components and the modules. We are in that area right now. We don't have capability right now. To make the complete charger for making that charger we have many other joint capabilities of the overall what the system is supposed to deliver and where it is, you so, right now we are not having that capability at the moment, but as we go along from, it says Components to modules, who knows where we land up. We don't know that right now but right now we don't have that capability.

Mr. Dhwanil Desai, Shareholder

Yeah, I think my question more from components side rather than charger or do we have the capability to apply components to charging station

Mr. Sharad Taparia, Chairman

Yes, the answer is, yes, we have that product. Yeah. Also, when the charging stations are bigger in terms of their power delivery as compared to an EV. So their products are generally bigger.

For example, we have been supplying some cores to, big Transformers that business is little bit is increasing in the last in the current day that we see. So, extending that capability yes, we have the capability to supply to charging stations.

Yes. Okay great and thank you. Thank you very much.

Our next speaker is Mr. Rahul Jain

Mr. Rahul Jain, Shareholder

Hello, Am I audible? Yes, sir. Good afternoon Sharadji, Sukhmalji and Rachana Mam. Nice to be meeting you again we would have preferred to be there as a physical AGM, so we're looking forward to meet personally and I'm hoping that we are through with the pandemic as soon as possible. Yes. we have been meeting for almost 2-3 years. Now we were there. we met you 1st, time in FY 19. The journey from there has been according to me has been quite good considering more on the quality of stuff that. So, from the 1st time we met, and today when you're meeting we understand in last 2 and 3 years, you have been working on some really good techs, better customers. Probably better size of orders or projects. Also we are happy to be on the dividend list now. So, happy that you have declared a dividend and hoping that this goes on increasing year on year so, I try to avoid repetitive questions. 1st of all you have been talking about, you know, the pipeline of projects for growth. So, if you could share some details with regards to how these projects have moved in last 2-3 years, in terms of their size because somewhere last conversation you had mentioned, the size of the projects is much larger than what you were doing earlier.

Probably, we are working on some really larger projects now. Maybe not the exact number, but in some relative sense, How the project size has been changing for us and typically in relation to last 2-3 or 3-4 years back. Next in our annual report, we have spoken about value added current sensing technology. So this is a new thing which you have added in your annual report. If I compare it for the last 3-4 years. So is there something breed on this, if you could share some details on this. What kind of new products which we are headed in the last 3 years what is the incremental revenue, which we have got from the new products or, you know, like some of these companies follow. so called, innovative index, or the new index. So, we have been to a traditional core businesses for a long time, but the kind of hard work, innovative work we have done in the last 5-7 years. Probably that has resulted into some new kind of businesses, new projects, new products. So if you could share some.

You know, in case if not the absolute number, it is in some related sense starting the year gone by automotive has done exceptionally well for us and also the other segments. But the energy meters, and the gas meters top line has declined marginally,so how do we see the trend going ahead? automotive is now 25% of the top line. So, do we see automotive outpacing the growth in the other segments for the coming years? Also? or to be a 100 crore business.

In next 3 to 4 years to come, understanding that we are doing probably the larger number of projects and also the size of each product project would be larger. In auto segment, how many products, we have come out of the cycle and will now go on full scale in the currently are in the coming years how big this can projects be and how the ramp up would be happening.

You already answered 1 of a couple of my questions on energy meters and gas meters. Typically, this recent announcement of government with regards to 3 lack cr scheme for our distribution and 22,500 cr earmarked for smart meter.So, if you could just ballpark figure, what could this mean as an apostrophe size for the Company like us where we are 1 of the major components of class probably covering entire component to supply leaving aside the body. So what kind of a project this could be Oracle so, out of this 22,500 crs, which have been your mark for smart prepaid meters out of this, what could be the size of the business opportunity that can come to for a month or a component supplies like us and do you feel compared to the teams which have been announced by the government? This team is better and probably this could be really executed the way Govt wants it to be, or that the way they have announced it to. In energy meters a, the demand shipping from us from the export front, If you going to dwell on that, sir gas, because you have already spoken, I'll not repeat that and about Borivali property already spoken. A lot of companies have been talking about supply chain issues and logistics costs going up considering that we are into exports as well as some of components being imports also. How is this? Impacting us?

Can our margins be impacted for next 2-3 quarters? you spoke about, although to the shortage and price increases in electronic components like semiconductors what is your view on this personal view considering that you are in a regular contacts with a lot of this tier 1 automotive gas can this, impact last longer than what we are talking about? Can this really be a mental impact for our company as a whole last year has been quite tough. A lot of companies I've taken a cost reduction program, so anything, which you would like to highlight whereby some of the cost deductions, which we have taken could be sustainable, over the next 2-3 years. You've already spoken about 200 crores as your 1st target being. So just to carry this further we took about 5-7 years to go from 50 crs in about March, 13 to about 100 cr in March, 17-18 and then last 3 years had been flat. But as I mentioned, in my initial, we have understood that qualitatively we are doing much better than what we were doing a 3 years back inspite our top line remaining in the band of 100 - 220 cr and, of course, considering the last year was really kind of, you're not here for the entire industry has such. I mean, to say everyone has such. So, do you feel with the amount of hard work which we have done in the last 5 years more so on the automotive side. we are at inflection point to such an extent that the acceleration or this target from 100 to 200 cr can be much faster than what it has been in the past. Thank you.

Mr. Sharad Taparia, Chairman

Yeah, thank you. So I think you, your 1st question regarding the pipeline and the size and you, spoke about the innovative index and yes that is a very relevant point. What we are doing now is so, I have been talking about the pipeline and increasing the pipeline. We are in internal discussion right now to build an index for our sales to measure. 1st is just to measure the number of projects. These are the number of another way is just to measure the potential size of the project, let's take it 100 cr or 200 cr projects in pipeline, but there is also a probability so sometimes we have a project, which is potential 50cr but customer does not win the project or sometimes customers shows that okay, this is a project or a 50 cr 70 crores and year on year 10cr sales, but it's just for budgetary purpose, so we face such problems and putting together all these parameters we are building an index for ourselves. It's still not completed that work, but in our target will be to increase that index year on year. So that appropriate inputs and, uh, focus is given to that particular area, because that is what determines the growth of the company.

So that's a right point that you put an innovative index similarly for PML and we will have our, our own index for that your Question was regarding current syncing, I think current sensing technologies I've already mentioned earlier in our earlier question broadly 3 technologies, but different methods of application for that.

Then your question was about segment wise, growth and automotive. Growth, I think that also I've covered. Your question was, whether 100 cr possible in automotive itself yes, absolutely. Possible The way we are seeing things absolutely possible. Depends a lot on a. These semiconductor shortages, covid situation. General economy, demand of automotive, how it goes forward. What we are seeing a clear cut change to, EVs which is a good sign for our obligations. So broadly, yes, 100 cr for automotive itself. Yes Possible in the coming.

Then your question was about government of India and opportunity for PML 22,500 cr meters and how much will be the potential for PML,

I can't give you the exact number. That depends on the customer design for the meter that they do and how much PML gets as a part of that year are. You know, the new meters are smart meters. These are prepaid meters. So, we also see a relay been built into the meter and relay manufacturers are using, some parts on their own. So, we have to really see how we. Then we can supply what part of the component we can supply that a question mark. For us, so I can't tell you the exact opportunity. How much percentage of the it's 22500 cr is a part of this. It really depends on the meter design and cost to our part in that meter. Right? Now, the scheme execution, it's an aggressive target by the government it's a good step. Yes. It's a much better scheme compared to whatever they have introduced earlier. It will be good for the general economy and all the data manufacturers. It will be good for PML, and also, whether it can be executed by 2023, maybe may not be maybe they can extend 2024 also, My view is that it is an aggressive target to Install all the 22500 cr meters by 20 and 23.

Our Energy meter demand and exports is still good. Our major customers are still bullish. We are getting some indications of that. So, I don't see any change in the coming few years for that.

Then your next question was about supply chain issues?

Yes there are supply chain issues. We see logistics issues sometimes our imports. we see that the vessels are less shipping lines have problems, so we have to what we are doing is we are increasing our lead time. The planning that we do for our imports, we increase the lead time so we will have more. We will have to stock more inventory for us when we will means some investments working capital investments from our site and related cost to that, so, to that extent, the margins get affected. Yes. That's, an issue that we are facing.

Then you mentioned about the semiconductor shortage that is again a problem that. Both or automotive customer as well as energy companies, both of them are facing this problem.
The discussion that we had from them, they Don't have a clear view when it will be solved but they are expecting that it should be solved sometime in the year 20-22, but they, also predict this accurately. So, I don't have an answer when this will be solved.

You are a question was about cost reduction.
So we are having several Programs that we are running for cost reduction for all of our. But at the same time, we are facing these cost increases also due to higher Investment into inventory, COVID related issues of logistics So, both running parallel, we are seeing some cost increases and we are working on cost reduction programs.

Your last question was about.
We took 5 years from 50cr to 100 cr. I think you wanted to pretty much know the 100cr to 200 cr. it will take 5 years or less. I hope is that it will take lesser from the shift that we have done towards building our pipeline. I hope is that it will be a lesser time than that. That's all that I can tell you. So, I hope I answered your questions and anything not answer, please feel free to ask.

Mr. Rahul Jain, Shareholder

Thank you so much, sir and all the best. Thank you.

Mr. Sharad Taparia, Chairman

Thank you. Good Also, I think from the investor, we gather a lot of things and we try to implement.

Mr. Rahul Jain, Shareholder

Yeah, so it's our pleasure, sir. Thanks.

Our Next Speaker is Mr. Kaushik Mehta

Mr. Kaushik Mehta, Shareholder

Yeah, Hello Sir, it's an absolute pleasure to be, speaking with you and Sukhmal ji today. Just a few I mean, most of the other speaker asked all the questions. just a couple of things,

1. what will be the, rough value of the 15% of our Borivali project that will come to us if we can have some quantification for that.

2nd, when you said that, You have found out a land in the suburbs bombay, what will be the kind of capex that we will go through and considering that our ICICI case with is still not solved. Is it fair to assume that all of it will be, has to be done by internal approvals, because getting a loan I don't know how feasible it is at this point.

3rd question is, you know, we have seen large and I know you've probably answered this once before, but just wanted some clarification. Uh, we have seen large gross margin improvement since FY 19 before that. Our gross margins were around 40%. Now they're 50% and they've continued that and all of that has essentially flown into our EBIDA is this a permanent change in the business? do we see, uh, or can we, is there any possibility of going back to earlier gross margins or and slightly lower EBIDA than what we are doing over the last 3 years? Those are just 2-3 questions and thanks a lot and best of luck sir.

Mr. Sharad Taparia, Chairman

Thank you, see the Borivali property I don't know the exact potentional. but we had 1,25,000 square foot and which is to be developed, and we will get 15% the constructed property on that. So, that really depends on how much the size of the project will be the builder make and sell, and when we will realize this money, but, yeah, we need to pay construction cost as per our agreement to them, so. Maybe you can take about 25-30 Crores, and it also depends on the pricing at which we will sell. We can't exactly quantify the number. 25-30 crores is, I would say fair estimate, but I can't exactly say the number maybe more pricing is better.

Sure. Yeah. Capex for the new land, our total Budget for the plant we were expecting about 10 crores for the land and approximately 5 to 7 crores for the facility. So you can say about 17 crores for the new factory to be constructed. What we will save is our annual rent that we are paying, which is about 2 and a half crores today, that will be the saving that we will do per year, so that will add to our bottom line.

Then you asked about the sustainability of margins so that is to see margin that depend on the product mix and each product has different margins some of the, let's say, value added products, command, less margin Some of they, which are more complicated they are more margin. So going for what it really depends on what kind of projects we win. That is the reason we are trying to move towards Modules and more and more complicated products to keep our margins. So, yeah, so that is our, the target is to keep these markets margins sustainable.

Mr. Kaushik Mehta, Shareholder

Right, right and just, last thing is we've seen some amount of Promoter reclassification over last 1 year a couple of families have moved out of promoter to being public shareholders. Is the restructuring at the family level kind of over? Is it fair to assume that the case or we will see some more restructuring, which will happen going forward as well.

Mr. Sharad Taparia, Chairman

No, it is fair to say that it is over at the moment I don't see any more restructuring and these in the family members who went out are not involved in the business of PML. They were just investors in part of the promoter group. We don't expect any more for the restructuring to happen.

Mr. Kaushik Mehta, Shareholder

Thank you. Thank you so much Sharad ji and thanks a lot for starting the dividend. I really appreciate the effort that you guys are taking and and dividend is a very healthy gesture and thanks a lot.

Thank you, sir.

Our next speaker is Mr. Rohit Balakrishnan

Mr. Rohit Balakrishnan, Shareholder

Hello, good afternoon Mr. Sharad, thank you for the opportunity and for answering these questions very much in detail. So most of my questions have been already answered.

I just had 2-3 broad questions. Sir, you mentioned that I mean, typically, over the last few years, you really tried to broad base your pipeline and come to the projects and that is the future indicate. I mean, that's the leading indicator for the future growth. So just want to understand this in a slightly more detailed way.

So you mentioned in terms of the value chain, what happens is that the customer typically designs the product and you sort of showcase your ability to manufacture it and then it goes to commercial team and then you start manufacturing it if everything goes well, according to the plan. So just want to understand I mean, when you talk about this pipeline of projects, so, in this aspect just wanted to understand 2 things. 1 is like, how many of these projects are closer to the commercial aspect. I mean, that you've talked about your pipeline has increased and 2nd was like, typically, how much time does it take? I know every project is different and every project will have its own complexity, but in general, I mean, as a thumb rule, like, if you enter into a new project, you start a new project. How much time does it take? I mean, you mentioned to a couple of your questions that you entered a lot of new relationships, and lot of new customers so are you seeing that this new project pipeline that you are in that the pipeline getting brought? Is it largely been new times or with existing guys?

Also you're increasing your wallet share the reason why I'm asking this is I mean, and I would like you to correct me if I'm wrong that if you increasing with the existing guys, does it mean that you can scale up much faster Because there is a comfort are working etc versus new guys, and hence, it may take slightly longer time. So that's the context.

The last question you just mentioned about the gross margins so do you see There's a scope to increase gross margin from here, as you sort of scale better products become, let's say, on your journey to be more integrated sort of, or not the integrated, but more like a module supplier and just a component supplier.

And last Part of the question is that, I think you mentioned this briefly in the con-call you did. I want you to understand is typically, what is the peak revenue from your current facilities, that you can achieve? I know you mentioned, that's not how you look at it, but I would, I mean, whatever perspective you can give from the angle that these, 3 facilities that you have, what they can do, and even the newer facility that you will eventually move to with what sort of view in terms of size and scale you will build that I think these are broad question. And last question is have we gain any ship markets in our specific product segment. On 1, wallet share that with the customers, how are you want to sort of answer it? I think these are the questions.

Mr. Sharad Taparia, Chairman

Yes, thank you very much. So, let's say your 1st question about pipeline and how many are closer to success. And so we have a pipeline and different projects are different start of customer specify the start of project estimated date, so, but that Keeps on changing due to their development activity. Sometimes the development takes longer. So many are closer to success. I can't give you exact number, but you have several projects are closer to success and, remember there are several products which also go end of life, because these, as we develop new products, they also have an end of life. Customer changes the design, so then those products go out of production so it's a balance we have to get the pipeline faster than the end of life and this is what we are trying to do.

You asked about average time to success again, it’s depending on product to product. For 1 product we took 6 years for success and some products come in 6 months. So there is no average time but typical development time can be 6 months to 1 year on an average that is the typical development time.

Then you asked about whether the pipeline is getting built by new customer or existing, Yes it is getting built by both for the existing customer Yes, there is a lot of comfort. So, what they do is they immediately send the new drawings for us and give a quotation and then we will give a ballpark number that this is our quotation they will then negotiate. Once we arrive at the settlement then we will start the prototyping. Customer will pay the tool cost and they will sign the agreement that happens. With a new customer we have to do Registrations, so we have to introduce our company. We have to give them the quality certificates. They will do audit, they will come to plant or they will do a remote audit. There are many steps in order to build that trust to level. So it's a very formal process. They will do all that and then, we start working on the enquiry that is how it happens.

Now, your next question about margins, whether they can increase. See margins depend on the complexity of the product. The more complex, the product higher the margin. Therefore, our effort to go into modules of our effort to do more and more value addition. That is what we are trying. At the same time if we get an opportunity, let's say a large opportunity but lesser margin, we are not going to refuse that opportunity. We will continue and we will serve that opportunity because our objective is to increase the pipeline. Depending on the Capex required for that opportunity, we will take that call whether we want to go ahead or not.I think till now, we have done a pretty good job of building a revenue with a better margin with smaller capex. So, that balance, we have to maintain So, if we can do that for all of our resources that we have then we will achieve the highest level of ROCE, yes, to answer your question margins can be increased. Yes, they can be increased if we get higher success or more complex products but at the same time, we will not refuse projects with lower margins also.

Then your next question was peak revenue from current facilities. I think we have spoken about multiple times. Today, the facility is not the bottleneck for our revenue. If we get, let's I'll give you an example. We have casting facility which has a idol capacity today. Suppose the customer gives us a high Value of metals to be melted and converted to ingots. It's a larger potential of revenue, which is possible. Suppose we get assembly operations within our plant with using a more expensive Product Components that is again a large revenue potential, so I would say that the revenue from current facility is not so much of a relevant blowing for us, the more relevant question is. How much capex is required to achieve to that 200 cores, 1st target that we want to do and that depends on the project pipeline and the next inquiry that we are going to get. So, I can't answer you a peak revenue. I can't give you a number. The peak revenue from current facility that can be anything. Can't give you that our focus is to balance this. Yeah, the, the answer to that question is not the bottleneck but the question is, how much capex required and whether we can get those kind of opportunities quickly, convert those kinds of opportunities to reach our 200 crores mark.

Then your next question was about market share and wallet share. Yes, we have increased wallet share with existing customers and in some cases, actually, where end of life has happened we have reduced also, because some products way out of end of life and when the next new products come from the same customers, again we will increase the wallet shares. Market share typically for existing customers remains the same that does not change for product to product. In many cases, we are 100% supplier to that those companies, and they continue with that 100% because the product is complex. They don't want to mix 2 companies together for the same product. They are happy with PML supplies. So, they will continue with the same market share. So I think this I've answered all your questions, whatever best I could. Anything else that you want to ask or that I missed anything, Please let me know.

Mr. Rohit Balakrishnan, Shareholder

No, Thank you again, you answered it very well. Thank you Very much.

Our next speaker is Mr. Munjal Shah.

Mr. Munjal Shah, Shareholder

Hello am I audible. Good afternoon. Thank you for the opportunity. This is my 1st AGM, which I have been attending. Congratulations for the great good story till now and we hope that, we do good value in future as well. I'll try not repeat the questions, which have already been asked, but in case I do please pardon me For that.

Apart from the new products, which are being developed so basically, we talked about current sensing. We talked about flux concentrators. Any specific new products, with high potential are being developed in area of electronics EV, smart meters and gas meters and any potential we are seeing in coming years.

The next question was that of considering we are in to complex and customize products. Can we consider capacity utilization as a parameter for checking the, Expansion we need to take place or get into more plant and machinery for increasing our turn over so that was my 2nd question

A 3rd was considering 65% of revenue, being generated from export and 35% from domestic. Right now the freight rate touch the roof and considering this entire year, uh, that is a 2020 currently or 2021 and the 1st, quarter of 2022 the freight rates don't seem to come down because China is paying double freight of what India is paying to the North American sector, basically. So how do we plan to mitigate that? Or are the clients ready to absorb the freight costs as well which will not affect our margins.

If you can help us with the breakup in terms of sales for a sectors like Europe,South America and Southeast Asia.

Then 1 of the product, which we have mentioned in our annual report, is super alloys. We are developing Super alloys. So, can you help me know which segments are we targeting when we are developing Super alloys as a product? Any particular segments.

Mr. Sharad Taparia, Chairman

Yes okay. So your 1st question about high potential new products. Yes, there are products with potential and in existing EV, also energy meter they are mostly stable, but because the products are customer specific, so these potential is limited to the quantity is that the customer is going to consume, but from point of view yes. The potential is good.

Then your next question was about capacity utilization vs. turnover
So capacity utilization is has never been our bottle neck, because, the products that PML is making can quickly increase the capacity as per the demand. These are not high capital intensive products where you need to install machines and big plants to produce. So, therefore we can quickly invest and increase the capacity. So, turnover does not depend to answer your questions specifically. Turnover does not depend on capacity, utilization constraint. Main constraint is how many projects become successful in that current financial year that is the main question and how many products are there in the pipeline because whatever effort we do today, gives us the result in the next coming years.

Then your 3rd question was about a freight rate.
Yeah, mostly our products are FOB what we do is when we are giving offers to customers, we are including the freight costs in that and accordingly, we give them the prices. So, our prices are inclusive of those, but as a see it as a proportion of the product cost. Is not very high, so generally the impact of freight rates does not matter too much to the customer.

Then you asked about the percentage between Europe and the USA. Okay.

Roughly 30% is USA, Europe, maybe about 17% is about Europe and balance is spread out between South America, Southeast Asia and which includes China also.

Mr. Munjal Shah, Shareholder

So the question regarding Super alloys, which are being developed right now. So, do we see any, product related to being commercialized in Aerospace defense or medical sector.

Mr. Sharad Taparia, Chairman

Yes. So super alloys is a term used for a alloys mainly for aerospace industry, which can withstand high temperatures and they perform in those high temperatures. So applications. Supervisor therefore used in aerospace because they're the temperature range. Can go very high to very, very low and the components have to withstand that temperature during that the functioning those temperature changes have to be stoned by the component they for that term Super alloys. So these are made by cobalt and nickel metals in different proportions. Are used to make and also specific heat treatment is used. Now, both cobalt and nickel and the history all these are capability, because historically we have been making magnets used these metals ever used by us. We are melting these metals and also we are doing the relevant heat treatment for that. So therefore we have identified this area as a target area, and it's a specialty area. So margins will be better in this area. Till now we have not got any commercial success, but future, we are hope full good business in this area.

Mr. Munjal Shah, Shareholder

Okay Sir, the segments we are currently into that is EV, energy meters, gas meters any new customers, have been added in this particular current year.

Mr. Sharad Taparia, Chairman

Gas meter, we have not been able to add any new customer. For the EV, Yes, We have been able to add new customer and energy meter is pretty much similar same Customers are there.

Mr. Munjal Shah, Shareholder

Okay and so that the, addition in new customer is on the exports market or in the domestic market.

Mr. Sharad Taparia, Chairman

Export and domestic both.

Mr. Munjal Shah, Shareholder

So then 1 more question is, what do we have any forward integration or backward integration plans in the products we used, which, might lead to increase in our margins or save on cost.

Mr. Sharad Taparia, Chairman

Yeah, so modules are forward integration. What we spoke about is already of forward integration to our existing products for EVs and backward integration, we don't have any plan, but based on our capabilities, we are working on materials so Super alloys, for example, is base material talking about melting metals. You can say is a sort of a basic level of material business.

Mr. Munjal Shah, Shareholder

If basically we get into this, any rough ballpark figure what percentage of cost can be saved.

Mr. Sharad Taparia, Chairman

No, forward integration there's no cost saving we are in fact going to increase the, value is higher of the product. Backward integration we are actually not doing for any of these, Major revenue generators today. These are new areas of our capability, which we are trying to exploit so there is no cost related.

Mr. Munjal Shah, Shareholder

Our entire operations, which is labor intensive or it is mostly atomized.

Mr. Sharad Taparia, Chairman

Once the design is in place, is it more related to it's a labor intensive operations, or it's an automized operation, though there is labor used, for example see, because these are customer specific products if there is a single product in, let's say large, very large volume then we automate it, but if there is a specific customer related product let's say they are buying 2 lakhs per month, 3 lakhs pieces per month and there's no point in automation, because it will also have an end of life. So, we calculate the payback for automation, and depending on the payback, we will attempt to do automation. Otherwise we don't do automation.

Mr. Munjal Shah, Shareholder

Okay, so basically, when we say that we have 65% of exports and around close to 45-50% of import then how do we manage forex fluctuations?

Mr. Sukhmal Jain, CFO

We are the natural hedged company we have import also and export also. So we are not exposed to risk of Foreign fluctuation, since we have both export and import and we also have EEFC account with our bank. So, mostly we proceed from EEFC account and import also from that account.

Mr. Munjal Shah, Shareholder

Okay, thank you as the last question. Any relationship between our company and a single impacts, which has given the corporate guarantee for our company.

Mr. Sukhmal Jain, CFO

The corporate guarantee had already been withdrawn. That is not in place as of now. We offered alternate security to the bank.

Mr. Munjal Shah, Shareholder

Okay.Okay, thank you so much sir. All my questions have been answered and all the best and hope to be in touch. Thank you so much.

Mrs. Rachana Rane, CS

As mentioned earlier, the insta-poll e-voting facility will continue to be available for 15 minutes after this meeting. On behalf of our Board of Directors and management of PML, I convey our sincere thanks to all the Members for attending and participating in this meeting.

Thank you all Board Members and Auditors for attending the meeting and I hereby declare the Meeting as concluded. Stay healthy and stay safe.

Thank You……..

Mr. Sharad Taparia, Chairman

Thank you to all investors. All the people attending the meeting board members, auditors. Thank You very much. Thank you for your support.