



Aarvi Encon Limited

CIN : L29290MH1987PLC045499

(ISO 9001 : 2015 & ISO 45001 : 2018)

Regd. Office : B1- 603, 6th Floor, Marathon Innova, Marathon Nextgen Complex,
Opp. Peninsula Park, Lower Parel, Mumbai - 400 013, India.



TRANSCRIPT OF THE THIRTY FIFT (35TH) ANNUAL GENERAL MEETING (AGM) OF AARVI ENCON LIMITED HELD ON SATURDAY, SEPTEMBER 23, 2023 AT 11:00 AM IST, THROUGH VIDEO CONFERENCING MODE.

SHAREHOLDERS PRESENT THROUGH VC:

38 Shareholders were present at the 35th Annual General Meeting (Sixth AGM Post IPO of the Company).

DIRECTORS PRESENT THROUGH VC:

DIRECTOR(S)	DESIGNATION	Committees
Mr. Virendra D. Sanghavi	Managing Director	Corporate Social Responsibility Committee – Chairman
Mr. Jaydev V. Sanghavi	Executive Director & CFO	Audit Committee and Stakeholder Relationship Committee – Member
Mr. Devendra J. Shrimanker	Independent Director	Audit Committee & Nomination and Remuneration Committee – Chairperson
Mrs. Sonal N. Doshi	Independent Director	Stakeholders Relationship Committee – Chairperson Audit Committee & Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Member
Dr. (Mrs.) Padma V. Devarajan	Independent Director	Audit Committee & Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Member
Mr. Ramamoorthy Ramachandran	Independent Director	Audit Committee and Corporate Social Responsibility Committee – Member

KEY MANAGERIAL PERSONNEL(S) (KMPS) PRESENT THROUGH VC:

KMP(S)	DESIGNATION
Mr. Virendra D. Sanghavi	Managing Director
Mr. Jaydev V. Sanghavi	Executive Director & CFO
Ms. Leela S. Bisht	Company Secretary & Compliance Officer

AUDITORS PRESENT THROUGH VC:

AUDITORS	DESIGNATION
Jay Shah	Representative of M/s Jay Shah & Associates., Statutory Auditors.
Aashish Bhatt	Partner, M/s. Bhatt & Associates Company Secretaries LLP, Scrutinizer for E-voting and Secretarial Auditor.

Other key executives and senior management of the Company had also attended the AGM. The AGM commenced at 11:00 AM (IST) and concluded at 11:45 PM (IST).

Welcome Address – Leela Bisht – Company Secretary & Compliance Officer of the Company.

Very Good Morning Everyone!

I welcome you all to this 35th Annual General Meeting (6th AGM Post – IPO) of the Company which is being conducted through Video Conference Mode or Other Audio Visual Means.

My Name is Leela Bisht, Company Secretary and Compliance Officer of your Company.

I would like to take you through on certain points regarding the participation at this meeting. All Members who have joined this meeting are by default being put on mute mode by the host to avoid any disturbance arising from background noise and to ensure smooth and seamless conduct of the meetings. As on date we have received request from 5 members who have registered themselves to speak in this AGM. Further, if any shareholder have any query pertaining to Annual Report, they may write to us at cs@aarviencon.com.

Now we proceed further for election of the Chairman of the Meeting. Would request Ms. Sonal N. Doshi to initiate the process...

Sonal N. Doshi, Independent Director:

I request Mr. Virendra D Sanghavi to act as Chairman of the Meeting. All the members of Board of Directors seconded the same.

Leela Bisht, Company Secretary & Compliance Officer:

Now, I would request Mr. **Virendra D.** Sanghavi, the Chairman of the Meeting to apprise all the members about the Company performance during the previous FY 2022-23.

Virendra D. Sanghavi, Chairman & Managing Director:

Dear Shareholders,

A Very Good Morning to all of you.

On behalf of the Board of Directors It gives me a great pleasure to welcome you all to this 35th Annual General Meeting of Aarvi Encon Ltd. It is my privilege to address to you as a Managing Director of the Company. I thank all the members, Directors, auditors for taking your time and joining this meeting and hope you and your family members are in good health.

MCA vide its circular dated May 5, 2022 extended the circular for holding AGM via VC/OAVM. Therefore, in compliance with the provisions of the Act and MCA circulars, SEBI Listing Regulations, this AGM of the Company is being held through Video Conference Mode or other Audio Visual Means.

As the requisite quorum is present, I call the meeting to order.

I would now like to introduce you to the Directors and Officials present in the meeting:

Mr. Jaydev Sanghavi, Executive Director & CFO of the Company- Present;

Mr. Devendra Shrimanker, Independent Director & Chairman of the Audit Committee and Nomination and Remuneration Committee- Present;

Dr. Padma Devarajan, Independent Director- Present;

Mrs. Sonal Doshi, Independent Director & Chairman of the Stakeholder Relationship Committee- Present;

Mr. Ramamoorthy Ramachandran who has been appointed as an Independent Director on the Board for a tenure of 5 years w.e.f. January 23, 2023- Present.

Leave of absence is granted to Mr. Sharad Sanghi, Independent Director who couldn't be present due to unavoidable circumstances.

Apart from Directors, we have all the senior management team, business heads, finance heads attending this meeting through Virtual Mode.

I would also like to inform you that we have our Statutory Auditors and Secretarial Auditors present in the meeting.

The Audited Financial Statements, the Board's Report, Auditors' Report, and the Register of Directors' shareholdings and Register of Contracts and arrangements are also available for inspection. The members seeking to inspect such documents can send an e-mail to cs@aarviencon.com.

I am happy to share that your company has performed well and I believe that there is always a space to improve for the betterment for the Company and the Stakeholders and we are working on it.

I consider my privilege to address you all today and to give you the insight of performance of your Company for the Year 2023.

You will be glad to know that your Company's performance during this year has been good.

During the year, your Company was able to achieve another record performance operationally as well as financially with strong contribution from all our businesses. On a Consolidated basis, Aarvi posted a record high Revenue from operations of Rs. 436.52 Crores, which was 51% up from Rs. 288.54 Crore for the previous year, EBITDA of Rs. 18.66 crore, which was 34% up from Rs. 13.90 Crore for the previous year. Our PAT Increased from Rs. 12.06 Crores in FY'22 to Rs. 14.51 Crore in FY'23, witnessing the growth of 20% YoY, once again a new record that underscores the inherent resilience that empowers us to rise above global challenges and make a mark. In addition, we proactively on boarded 50 new clients to your esteemed organization.

Through strategic initiatives and diligent efforts, the company has established a global presence by expanding its business operations into diverse countries like UAE, UK, Oman, Indonesia and Qatar. Currently, your company is making strategic investments in these countries, with the anticipation of realizing returns within the next couple of years. Also, during the year, your company acquired 100% stake in MNR Technical Services LLC, UAE through our wholly owned subsidiary Aarvi Encon FZE, UAE which will increase the business of deputation of technical and non-technical manpower in UAE.

The Company has proposed a final dividend of 20% i.e. Rs. 2/- per equity share of Rs. 10/- each, subject to the approval of the members of the Company at this 35th Annual General Meeting.

Your Company being a corporate citizen, is not only looking to grow in terms of Profit but also working towards the betterment of Society by Contributing towards Corporate Social Responsibility for Education Support, Providing Food to Poor People and Support of Health Care. To amplify outreach efforts, your Company incurred more than the statutory mandated CSR budget during the year.

The Notice of the 35th AGM, Financial Statements of the Company for the year ended March 31, 2023 along with the Directors and Auditors Report and Management's Discussion and Analysis have already been circulated to you.

With your permission, I would like to take them as read.

The Company has already offered remote e-voting facility to all the members of the Company and business may be transacted through such remote e-voting. The Company has appointed Bhatt & Associates Company Secretaries LLP as scrutinizer to scrutinize the remote e-voting process. All the resolutions mentioned in the notice convening this AGM have already been put to vote through remote e-voting.

Members who are present at the meeting but who had not cast their votes earlier through remote e-voting can cast their votes in AGM. Please note the Voting line will remain open from now and up to the 15 mins after the conclusion of the meeting.

Now I would like to hand it over back to Ms. Leela Bisht, Company Secretary for the rest of the proceedings.

Leela Bisht - Company Secretary & Compliance Officer

Thank you Sir!

Voting Process:-

In compliance with the applicable MCA circulars and SEBI circulars the notice of the AGM along with Annual Report for the financial year 2022 – 23 is being sent only through electronic mode to all the members whose email IDs are registered with the Company/ Depository Participant(s). Members may note that the Notice and Annual report for financial year 2022 – 23 will also be available on the company's website i.e. www.aarviencon.com and website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com.

This notice is being sent to all the members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of August 25, 2023.

The Dividend on equity shares as recommended by the Board of Directors, if declared, at the meeting shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on September 15, 2023.

In accordance with the provisions of the Companies Act 2013 and Regulation 44 of SEBI Listing Regulations, the Company has provided e-voting facility to all the members of the Company to cast their votes through remote e-voting. Members must have submitted their votes through this system during the e-voting period i.e. from 10.00 A.M (IST) on Wednesday, September 20, 2023 to 5.00 P.M (IST) on Friday, September 22, 2023.

Facility of voting through electronic voting system would also be available at the AGM and members, who are present in the meeting through Video Conference or Other Audio Visual Means and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the course of this meeting.

Now would request all the members present here, if you have any queries, on the financial statement or Annual Report of the Company for the F.Y. 2022-23?

Now, we shall begin with Question and Answers round.

I request Mr. Jaydev Sanghavi, Executive Director & Chief Financial Officer of the Company to answers the Shareholder Question.

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Jaydev Sanghavi:

1) We have opened many officers outside India during last few years. Except, UAE no where else, we are earning or making business/ profits. Please outline as to when we are expecting breakeven at these offices and what is future visibility. Otherwise, we must shutdown these offices, as they are just eating profits of India business.

Reply:

UAE Operations have been for last 7 years. We will have to try... few will work and few may fail... Due to COVID and banking norms, it has taken very long to set up bank account and get company up and running... We will monitor the progress of each branch and take corrective actions...

2) While our sales are increasing but net profits margin is decreasing. I think this is because of many unproductive overseas offices. What are our plans to improve net profit margin and when will we achieve that?

Reply:

Will monitor international operations and take corrective actions... I think we should give 6 to 12 months before taking a call to close the branch.

3) We have huge database of human resources. Why don't we tie-up with placement agencies to monetize it?

Reply:

Database is king and would not like to share with placement companies. We have started Placement Division...

4) There are lots of development activities happening in Railway Sector. Mumbai Ahmedabad bullet train, Metro trains in Mumbai and other cities. How many of our engineers are deployed in these activities?

Reply:

Thank you for your suggestions... we appreciate your input... We have reached out to various EPC Companies... But, currently they are not planning to outsource...

Other shareholders who had registered as speaker for the meeting are as follows, they are requested to kindly share their views:

1. Name: Neha Subhas Idnanny

BO ID/ CLIENT ID – IN30021412499190

a) Why this time there was an O&M decrease?

Reply: During September 2022 due to closure of various EPC Companies Project, they have decided not to opt for O&M contract and started approaching to other Vendors for full time service contract.

Further, in the same F.Y. various EPC Companies has approached the Company to give quotation for O&M contract which signifies that the business would be in a profitable position in near future.

b) What is the structure of O&M contract i.e., whether the validity of contract ranges from 5 to 10 years or we have to renew it every year?

Reply: Generally the contract is for 3 to 5 years of period on RFQ basis and not for 10 years.

c) What is the company's plan of action for expansion of the Business in the international market?

Reply: The Company is in the process for opening offices internationally.

d) What are the Company's projection for getting the revenue / profit from the Business for the next 3 years?

Reply: Company is following a practice of declaring 20% of the profit as dividend to its shareholder for last few years.

e) In the near future can we see an increase in the profitability from international business?

Reply: Profitability lies in huge projects.

f) What are the Development in IT sector or service sector?

Reply: The Company is in the process of establishing Branch offices in Pune and Bangalore and also of appointing Manager who will be responsible for business development of both the locations. We will also hire IT engineers to start business as soon as possible to grab the market opportunity.

Further, due to the closure of the small firms, Company is now having a great opportunity in expanding the Business in IT Sector.

g) What are the measures taken for speedy recovery from the debtors of the company?

Reply: We evaluate the Company on the basis of various parameter before entering into any contract.

In case of doubtful Vendor we request them for giving advance and then provide our services.

i) What are the measures taken by the company to mitigate risk of being outdated in B2B market and also steps taken to develop IT Infrastructure for B2B segment?

Reply: For this we are using third party Vendors (i.e., outsourcing technology) wherein we have created our own database / chatbox facility to reach out people.

This function is still in emerging phase and the company is looking forward to have in house operation of this function.

j) When the Company will get listed in BSE?

Reply: We have already initiated the process for listing the company on BSE.

2. Name -Prakashini Ganesh Shenoy

BO ID/ CLIENT ID – 1203230009783665;

3. Name - Bimal Kumar Agarwal

BO ID/ CLIENT ID – 1203230003502453

4. Name - Lekha Satish Shah

BO ID/ CLIENT ID – IN30063640102157

5. Name - Manoj Kumar Natholia HUF

BO ID/ CLIENT ID - IN30302876367737

a) Can we have a quarterly / Half-yearly shareholders meeting for discussion of general queries of the shareholders?

Reply: Thank you for your suggestion. We are planning to give Half-Yearly update to our investors through Investor's concall.

Mr. Jaydev Sanghavi: I think I have replied to all questions. Is there any more question from Shareholders?

Mr. Jaydev Sir thanked the Shareholders and handed over to Ms. Leela Bisht.

Leela Bisht: I hope all the questions are answered.

You may please note that if any queries remain unsolved then you may write it to us via email on cs@aarviencon.com, we will strive to solve the same at the earliest.

I will now handover the proceedings to the Chairman Mr. V.D. Sanghavi.

Virendra D. Sanghavi, Managing Director:

Thank you Leela.

I thank all of you for your participation in the meeting.

I authorize the Company Secretary to receive the Scrutinizer report and countersign the same and disclose the same for poll voting results on the resolution put forth in the notice convening this AGM of the Company.

The Voting Results will be disseminated to the stock exchange and will be placed on the website of the Company within 48 hours from the conclusion of the Meeting.

With this I conclude this meeting and I would like to invite Mr. Tushar Shah, Vice President to give vote of thanks.

Mr. Tushar Shah: Vice President

I am deeply honored and privileged to propose the vote of thanks on this momentous occasion.

The level of involvement and support from our stakeholders has been truly commendable. On behalf of the entire team and management, I extend our heartfelt gratitude to all our stakeholders for their trust, dedication, and partnership. Your continued support inspires us to reach new heights, and we look forward to many more years of shared success.

I extend my gratitude to the Board of Directors of Aarvi for their invaluable contributions to the company's growth.

I would also like to express our sincere thanks to our Managing Director, Mr. Virendra Sanghavi and Executive Director, Mr. Jaydev Sanghavi for giving an excellent coverage on company's growth.

A special acknowledgment goes out to all our dedicated employees who have consistently shown passion and commitment to the company's advancement.

I thank our Statutory Auditors, Company Secretaries, Bankers and RTA and all other stakeholders for their continuous guidance and unwavering support throughout the years.

THANK YOU.....!!!!!!

Leela Bisht: With this the 35th AGM of the Company stands concluded here. Thanks Shareholders, Directors, Auditors and everyone present in the meeting.
