

TRANSCRIPT
OF THE
TWENTY FIFTH ANNUAL GENERAL MEETING
OF THE MEMBERS OF
GODREJ INFOTECH LTD.
HELD ON
TUESDAY, 2ND AUGUST 2022
AT 11:00 A.M. (IST)
THROUGH THE MEDIUM OF VIDEO CONFERENCING (VC)

GODREJ INFOTECH LTD.

DR. K. A. PALIA STATED

“Dear All,

It gives me great pleasure to welcome you all to this 25th Annual General Meeting of the Company. This Meeting is being conducted through video conferencing (VC) pursuant to the Circulars issued by the Ministry of Corporate Affairs.”

“All the Directors of the Company including the Chairpersons of Audit Committee and Nomination and Remuneration Committee are present at this Meeting.”

“The representative of the Statutory Auditors of the Company, M/s. Kalyaniwalla & Mistry LLP, is also present at this Meeting.”

“The Notice of the Meeting was sent through email to all the Members and the Company has made every feasible effort for the Members to enable them to participate and attend this Meeting through VC. All the Members who are participating through VC will be considered present for this Meeting.”

“This Meeting has the requisite quorum; I declare the Meeting duly constituted.”

“Since the agenda items require approval by Show of hands, I request all the Members to keep their Video mode on.”

“Before we commence to take up the agenda items mentioned in the Notice of this Meeting, I would request Mr. Ajay R. Pimparkar, Chief Executive Officer of the Company to give a brief overview of the Company’s performance for the financial year 2021-22.”

MR. AJAY R. PIMPARKAR STATED

“In FY 2021-22, Godrej Infotech Ltd.’s (GITL) consolidated revenue was Rs.135 Cr (86% of ABP), with a net profit before tax of Rs.21.15 Cr (ABP: Rs.15.10 Cr). In FY 2021-22, External consolidated revenue was Rs.78 Cr (78% of ABP) with a net profit before tax of Rs.14.10 Cr (ABP: Rs.9.39 Cr).

We signed contracts worth Rs.97 Cr which included 3 contracts on USD 1 Mn+ including a new Customer acquisition and 2 renewal contracts. During the year we renewed the contracts with Boskalis, Greif, SingPost, Reza Investment, RPM Coating, Arc Gateway & Midport, who are engaged with us for more than 3-years. We received orders from 139 Customers out of which 21 are new Customers. In revenue terms out of 200 Customers, the top 20% Customers contributed to 59% of revenue.

Unlike as anticipated, the impact of pandemic continued, which impacted the business. Travel was quite restricted during the first 3 quarters and did not allow any Onsite delivery activities from resource pool based in India (except 2 resources in Singapore and 1 in UAE). This impacted the topline. Although we could manage to move the new contracts to offshore, certain critical phases of the projects took much longer than planned due to remote engagement. However, we could still execute the projects successfully and were appreciated by the Customers in terms of quality and deliverables. In this year, we signed our first Infor Cloud Suite contract in USA, which was with 100% offshore execution model, followed with another contract in India. We also signed our first SFDC implementation contract, with a German company with operations in India. We also signed partnership with Automation Anywhere and UiPath, and executed a few start-up engagements across multiple location.

Another challenge was of Attrition, which impacted project execution in absence of required skilled resources. However, to mitigate this challenge, we on-boarded freshers, but that needed investment and time to get them project ready. We could also expand our footprint into the existing customer base with Cloud migration and Digital technology offering, which contributed to 17% of our total revenue. We exercised tighter control on expenses and focused on timely collection of receivables, resulting in positive cash flow throughout the year. Such control measures and improving the resource pyramid through on-boarding of freshers, enabled us improve the cost of service by 4% against plan and achieve a better bottom-line at 18% against PY of 14%.

In G&B support team budgeting, and cost control based on budget, had been the focus areas. All projects planned in the budget were critically reviewed to ensure that only projects that have reasonable ROI were taken forward for actual spends. Remaining projects were de-prioritized and moved to later years. The two formal processes – “Change Control Board (CCB)” and “Technology and Architecture Governance Board (TAGB)” were institutionalized and gave significant benefits in our endeavour for adopting the latest technologies while keeping costs in control. All software requirements and change requests were reviewed to ensure that only requirements that give significant business benefits to GB and/or are on the list of important security updates, compliance requirements are taken up for development.

The OneCRM project Wave 1 was completed as planned last year (implementation and support in Appliances, Interio, MHE and SSD; Construction project done with a third party). Roll out to other businesses is under planning for FY23. Multiple processes were automated using RPA and further implementations are planned in this year. Other Digital & Strategic initiatives planned for the year like Dynamic Enterprise Performance Management (d/EPM), Productivity Improvement Measures in Infor, Control & Compliance (GST, TCS and other Audit requirements), are ongoing activities and will continue in FY23. The migration to Infor Ln 10.8 (Infor Ln on cloud/on-prem), PLM on Cloud is also under planning and discussion with Infor for FY23. An enterprise-wide COTS solution for HR functionalities (Human Capital Management suite) is under evaluation and planning. We are evaluating products like Oracle HCM, SAP Success Factor and Darwinbox. The next phase of eCommerce like marketplace integration and dealer integration is being planned for FY23.

In FY22, focus was on data security in terms of data theft and data leakage. Data Classification and DLP were rolled out for Aerospace, Construction, Appliance Design and Legal. Also, data leakage protection was enabled for all resigned employees pan G&B. While our perimeter firewall ensures internet access rules compliance for resources connected to the company WiFi network, Web Proxy Project was rolled out for all resources working from home to ensure similar and consistent corporate rules compliance. “Security Operation Centre” – with ATOS, Phase 2, was rolled out to increase the coverage. Implementation of Next Generation anti-virus solution was completed. This solution provides an enhanced security that is not exclusively “virus signature” based and includes AI based event correlation. There was emphasis on Governance Risk Control (GRC) to review and revise all the IT Security policies. We worked with KPMG to complete this activity and included an email phishing campaign for increased use awareness and compliance. Our infrastructure team is now trained for Cloud based infrastructure deployment and management.

The Company was issued Internet Service Provider (ISP) license on 17th April 2001, which was further amended to ISP-Internet Telephony license on 11th October 2002. The intent of obtaining the license was to provide Internet services to customers in campus – though the primary business was to provide services related to Information Technology. The said license was with Godrej Infotech till 7th September 2015 when it was submitted for cancellation.

During the financial year 2019-20 and 2020-21, the Company had received demand letters from Department of Telecommunication (DoT) amounting to Rs.164 Cr (including interest and penalty up to the date of respective letters) for year 2006-07 to 2014-15 by adding non-telecom revenue i.e., revenue related to Sale of ERP and its Implementation and Support charges as “Miscellaneous income” in Adjusted Gross Revenue (AGR). The Company has contested the demands before DoT and requested for their withdrawal, as the same are not payable in terms of ISP license agreements and accordingly not considered in accounts

In the light of judgment dated 24.10.2019 of Hon’ble Supreme Court on the dispute between DoT and Telecom Service Operators (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the earlier demands are being re-examined w.r.t. the Hon’ble Supreme Court Judgement. In the opinion of the management and based upon legal opinion received, the said judgement dated 24.10.2019 of Hon’ble Supreme Court is not applicable to the Company as the nature of license in case of telecom service providers is different and distinct from the licenses given to the Company.

We started our offices in a hybrid mode with employees reporting to office twice a week. Having conducted vaccination drives we permitted only employees who had taken both doses of Covid -19 vaccination to report to work. We onboarded 236 permanent employees and our gender ratio improved to 26% through targeted hiring. In spite of Attrition being at 38% which included 6% non-regrettable, we were able to retain critical resources through retention talks and competitive compensation. In terms of capability building, we met our target of 6 person days of training and focused on training in digital space – Cloud, AWS, Azure. On the CSR front we partnered with G&B Corporate CSR Team to provide Digital Training to students and

completed our previous projects with Don Bosco Technical Institute for training in Computer Operations & Programming Assistant (COPA), Hardware & Networking Support.

Please note that the Auditors Report do not contain any qualifications, reservations, adverse remark, or disclaimer.”

DR. K. A. PALIA STATED

“If the Members have any questions in relation to the items of business of this Meeting, I request that the same may be put forward now which shall be answered appropriately.”

There were no questions from the Shareholders.

DR. K. A. PALIA STATED

“Since there are no questions, I will proceed with the business of the Meeting.”

“The Notice along with Audited Financial Statements for the year ended 31st March 2022, together with the Auditors’ Reports and Boards’ Report, were sent to the Members, Directors and Statutory Auditors of the Company through e-mail.

Do I take the Notice convening the Meeting as read?”

MR. BHAVESH KHANDHAR ANSWERED

“Chairman Sir, since we have received the Notice in advance and have read the same, we request you to call out only the Agenda Item no. and its subject matter to be taken up for the Members’ approval.”

DR. K.A. PALIA STATED

“I will now proceed to take up the Ordinary Business mentioned in the Notice of this Meeting.”

“Agenda Item No. 1: To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, together with the Reports of the Board of Directors and Auditors thereon.

May I request a proposer and seconder for this agenda item?”

MRS. NYRIKA HOLKAR STATED

“I propose Agenda Item No. 1.”

MR. N. J. GODREJ STATED

“I second Agenda Item No. 1.”

DR. K A PALIA STATED

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

All shareholders, present, raised their hands.

“I declare this Agenda Item carried unanimously.”

“Agenda Item No. 2: To declare final Dividend on Equity Shares @ Rs. 1,000 per Equity Share for the financial year ended 31st March 2022.

May I request a proposer and seconder for this agenda item?”

MR. BHAVESH KHANDHAR STATED

“I propose Agenda Item No. 2.”

MRS. NYRIKA HOLKAR STATED

“I second Agenda Item No. 2.”

DR. K. A. PALIA STATED

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

All shareholders, present, raised their hands.

“I declare this Agenda Item carried unanimously.”

“I would like to inform all the Members that since I am deemed interested in the next agenda item, which concerns my re-appointment, it is necessary to elect one of the Directors present at this Meeting, as the Chairman of this Meeting and conduct the proceedings thereof, in terms of Article 95 of the Articles of Association of the Company.”

MRS. NYRIKA HOLKAR WILL SAY

“I propose that Mr. P.E. Fouzdar be appointed as the Chairman for Agenda Item No. 3.”

MR. N.J. GODREJ WILL SAY

“I second this proposal.”

Thereafter, Mr. P.E. Fouzdar took the Chair and commenced the proceedings of the Meeting.

MR. P.E. FOUZDAR STATED

“Agenda Item No. 3: To appoint a Director in place of Dr. K. A. Palia (DIN: 00281971), who retires by rotation and being eligible, offers himself for re- appointment.

May I request a proposer and seconder for this agenda item?”

MR. BHAVESH KHANDHAR STATED

“I propose Agenda Item No. 3.”

MR. N. J. GODREJ STATED

“I second Agenda Item No. 3.”

MR. P.E. FOUZDAR STATED

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

All shareholders, present, raised their hands.

“I declare this Agenda Item carried unanimously.”

“I now request Dr. K.A. Palia to Chair the Meeting and proceed to take up the remaining item of Ordinary Business.”

DR. K A PALIA STATED

“Agenda Item No. 4: To appoint a Director in place of Mr. R. D. Contractor (DIN: 00011878), who retires by rotation and, being eligible, offers himself for re- appointment.

May I request a proposer and seconder for this agenda item?”

MRS. NYRIKA HOLKAR STATED

“I propose Agenda Item No. 4.”

MR. N. J. GODREJ STATED

“I second Agenda Item No. 4.”

DR. K A PALIA STATED

“I will now proceed to put the motion to vote. Those in favor are requested to raise their hands.”

All shareholders, present, raised their hands.

“I declare this Agenda Item carried unanimously.”

“With this, we conclude this Annual General Meeting.”

MR. BHAVESH KHANDHAR WILL SAY

“I thank the Chairman, Dr. K.A. Palia for conducting the Annual General Meeting.”