

**Transcript of the 6<sup>th</sup> Annual General Meeting of EdgeVerve Systems Limited held on October 12, 2020 at 4.00 p.m. IST through video conference.**

Hello everyone! Good evening. My name is Mohit Joshi – Chairman of the Board of EdgeVerve Systems Limited, joining from London.

I welcome the members to the 6<sup>th</sup> Annual General Meeting. This meeting is being held through video conference as per the circulars issued by the Ministry of Corporate Affairs. Before we start the main proceedings of the meeting, I would request my colleagues on the VC to introduce themselves, starting with Sanat Rao

- **Sanat Rao** - Hello everyone, this is Sanat, Whole-time director. I am joining from my residence in London.
- **Atul Soneja** – Hi Good evening everyone. I am Atul Soneja, Whole-time director. I am joining from my residence in Bengaluru.
- **Inderpreet Sawhney**– Hi Hello everybody! This is Inderpreet Sawhney joining from my residence in Plano, Texas, Director on the Board of EdgeVerve.
- **Deepak Padaki** – Hi this is Deepak, Director on the Board of EdgeVerve, and Chairperson of CSR Committee. I am joining this meeting through VC from my home in Bengaluru.
- **Rajesh Kini** – Hello everyone, Good evening, I am Rajesh Kini, I am the CFO of EdgeVerve, joining this meeting from my residence in Bengaluru.
- **Sudhir Gaonkar** – Good evening, I am Sudhir Gaonkar, Company Secretary, joining from Infosys Office, Bengaluru.

Thank you. Apart from all my colleagues, we also have the Statutory auditors, Deloitte, Internal auditors, E&Y and Secretarial auditor Parameshwar G. Hegde, who have joined this meeting as well.

I would request the shareholders present at the meeting to unmute and introduce themselves., starting with Manikantha AGS.

**Manikantha A.G.S.** - hi, good evening everyone. I am Manikantha representing Infosys Limited. I have submitted the letter of representation to the Company. I am also a registered owner in my personal capacity. I have joined from my residence in Bengaluru.

**Neha Jain** – Hello everybody I am Neha Jain. I am joining in from my residence in Bengaluru.

**Rekha Kamath** - Hi this is Rekha Kamath. I have joined from my residence in Bengaluru. Thank you

**Bindu Raghavan** - Hi good evening all. I am Bindu Raghavan. I have joined from my residence in Bengaluru. Thank you

**Sowmya Rao** – Hello every one, I am Sowmya Rao. I am joining here from my residence in Bengaluru.

**Sudhir Gaonkar** – Hi Sudhir here, joining from Infosys Limited office.

We have seven members present through VC to conduct the proceedings of this meeting. The quorum being present, I call the meeting to order.

It may be noted that, as per the circulars issued by the Ministry of Corporate Affairs, the Company has provided live two-way video conference facility for the members, to participate in the AGM proceedings. Participation of members through video conference is being reckoned for the purpose of quorum and the proceedings are being recorded.

The Register of Directors and key managerial personnel and the Register of Contracts or Arrangements are being made available for electronic inspection by the members. Members seeking to inspect such documents can send their requests to [secretarial@edgeverve.com](mailto:secretarial@edgeverve.com).

With the consent of members, I take the Notice convening the meeting as read.

I now request the statutory auditors, Deloitte to provide the gist of their report on the financial statements of the Company for the year ended March 31, 2020.

**Gurvinder Singh, Partner at Deloitte Haskins & Sells LLP** - Good evening everyone, this is Gurvinder, partner at Deloitte Haskins & Sells LLP. We have audited the financial statements for the year ended 31<sup>st</sup> March 2020 which was approved by the Board and we have issued unmodified audit opinion on the financial statement. The financial statement are part of the report which has been circulated to the members. If there are no questions, I will consider the audit report as read and will be happy to answer any questions.

**Mohit Joshi** - Thank you Gurvinder. I would now request Rajesh Kini, CFO to present the financial highlights.

**Rajesh Kini, CFO** - Sudhir could you please present the deck. good afternoon everybody. Brief summary of highlights for FY 20. We closed the year with revenue of Rs. 2,497 crore which is slight drop of 1.6% against FY 19. This was mainly on account of reduced automation product sale. Our operating profit had impact of some increase in cost of sales. There has been an impact of 15.7% YoY. Our operating margin stood at 25% as against 29.2%. Our EPS for the year is 2.89 rupees v/s 3.09 rupees last year. Similarly, our DSO stood at 72 v/s 75 in the previous year. Next slide please..

The revenue was Rs. 2,497 crores. We had gross profit of Rs. 1,023 crores which is at 41%. Our interest expense reduced as compared to last year because we paid out higher debentures and consequently interest amount also has fallen. Non-operating income, we have taken hedges on our forex positions which lead to Rs. 5 crore gain in the non-operating income YoY. The provision for taxes see significant drop because we opted for new regime and we have stand for flat rate of tax at 25%. Next please..

Our cash and cash equivalent position is at Rs. 31 crore. Trade receivables Rs. 146 crore, unbilled revenues 70% of that are inter-company revenues and stands at Rs. 273 crores and we have other assets which is Rs. 126 crores. We have some fixed assets which is property, plant and equipment at Rs. 43 crores. Taxes Rs. 326 crore a significant item there. Other assets at Rs. 26 crore adding up to Rs. 1,003 crores on the asset side. On the liability, stockholder equity shows negative because, as per IFRS we have adjusted the goodwill and intangibles against the total shares issued so it stands at Rs. 607.4 crores negative. The debentures stands at Rs. 1,159 crore as against Rs. 1,445 crores in the previous year. Our lease liabilities are at Rs. 23.6 crore. This is based on the new accounting standard that has come by right of use and our current liabilities stand at Rs. 314.5 crores. Yeah next please..

We have healthy operating cash flow of Rs. 357 crore. We have some huge investments in capex so we have spent around Rs. 19 crores in the year. We had some sale of mutual funds of Rs. 2 crores to meet our requirements. Cash flow from investing activities are primarily towards repayment of debentures, interest expenses towards interest on debentures and right of use as per the new accounting standards. The effect of exchange differences in cash and cash equivalence is Rs. 1 crore. Net change in cash and cash equivalence is Rs. 60 crore. So we closed the year with Rs. 21 crores of cash and cash equivalence. Next please, Sudhir..

With this I end my presentation on financials.. any questions?

**Mohit Joshi** - Thank you, Rajesh. We now come to the formal proceedings of the meeting. The Members may please note that there will be voting by show of hands for the resolutions proposed.

**Mohit Joshi** - We will now take up the resolutions as set forth in the Notice. If any member desires to ask any question pertaining to this Item, or any other item on the Notice, he/she may do so. Members are requested to keep their questions brief and specific.

**Item No. 1 of the Notice - Adoption of Financial Statements.**

The Financial Statements of the Company for the year ended March 31, 2020 including the reports of Board of Directors and Auditors have already been provided to the members.

Members favoring the resolution may show their hands.  
(*All members have voted in favor*)

Thank you, this resolution has been passed unanimously.

**Mohit Joshi**- We now take up, Item No. 2 of the Notice - Appointment of Inderpreet Sawhney as a director liable to retire by rotation.

Any questions from the members pertaining to this Item? Members favoring the resolution may show their hands. (*All members have voted in favor*)

Thank you, this resolution has also been passed unanimously.

**Mohit Joshi** - We now take up, Item No. 3 of the Notice – Approval of payment of remuneration to non-executive independent directors.

The text of the resolution along with explanatory statement is provided in the Notice circulated to the members. Are there any questions from the members pertaining to this Item?

Members favoring the resolution may now show their hands. (*All members have voted in favor*)

Thank you, all three resolutions mentioned in the Notice for the 6<sup>th</sup> Annual General Meeting have been passed unanimously.

There being no other business to transact, the 6<sup>th</sup> Annual General Meeting comes to an end. Thank you for attending the Meeting and I hereby declare the proceedings as closed.

Thank You!