Transcript of the 22nd AGM of Updater Services Limited

Chairman: Yeah, dear shareholders, firstly, let me apologize for this delayed start. Good afternoon to all of you an extended warm welcome to all of you for the 22nd Annual General Meeting of the company. I hope the audio and video are clear. My name is Raghunandana Tangirala. I'm the Chairman and Managing Director of Updater Services. By virtue of the articles of the association of the company, I'm the Chairman for this meeting and I've joined this AGM from our office in Chennai.

Before we start the main proceedings of the meeting, I request, I would like to call out all the board members who are attending this meeting. We have with us Sunil Chandiramani, Independent Director. We have Amit Choudhary, Independent Director; Dr. Sangeeta Sumesh, Independent Director; Jigyasa Sharma, Executive Director; Radha Ramanujan, CFO, Sandhya Saravanan, our Company Secretary.

We have also with us our Statutory Auditor, BSR and Company. We have Mr. Balu Sridharan, Partner, our Secretarial Auditor. Then we have also with us Mr. Srinath, our Internal Auditor from Protiviti.

Shareholders now joined us through this meeting through video conference. Hence, we have the requested quorum present through this video conference to conduct the proceedings for this meeting. Participation of this meeting through video conference is being reckoned for the purpose of quorum as per our circular issued by MCA and Section 103 of the Companies Act. The quorum being present, I call this meeting to order.

I now request Ms. Sandhya Saravanan, Company Secretary and Compliance Officer of the Company to provide general instructions to the members regarding participation in this meeting.

Company Secretary: Thank you, Chairman. Good afternoon to our Directors and to our Shareholders. Members may please note that the 22nd Annual General Meeting is held through video conference in accordance with the provisions of the Companies Act and circulars issued by MCA and SEBI.

Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come, first-served basis. The Register of Directors, KMPs, Register of Contracts and Arrangements has been made available electronically for inspection for the members during the AGM. Members seeking to inspect such documents can send their request to compliance.officer@uds.in . As the AGM is being held through video conference, the facility for appointment of proxies by members is not applicable and hence the proxy register for inspection is not available. The Company has received requests from a few members to register themselves as speakers for the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate the session once the Chairman opens the floor for questions and answers.

The Company has provided the facility to cast the votes electronically on all resolutions set forth in the notice. Members who have not cast their votes yet electronically and are participating in this meeting can cast their votes during the meeting and until 15 minutes after the meeting through the e-voting system provided by NSDL. Members are requested to refer to the instructions provided in the notice or appearing on the video conference page for seamless participation through video conference.

In case members face any difficulty, they may reach out to the helpline numbers of NSDL mentioned in the notice to this AGM. Thank you.

Chairman: Thank you, Sandhya. I thank all members, colleagues on the board and the auditors for joining this meeting. Now we'll see the Company's journey in a video presentation. Okay, let me start off with this as the presentation comes along.

Video plays

05:45 06:47

Okay, before presenting the annual report for 24-25, I'd like to briefly reflect on our journey and give you a brief on our journey. Initially, we focused when we started off UDS as a business, as facility services business. Over the years, we diversified into production support, engineering and maintenance services, and we started the facilities management business at a time when the concept was virtually new in India, while the global market has already embraced the facilities management business. We recognized early on that globalization would soon drive Indian businesses to follow suit and we positioned ourselves to lead in this space. Through deliberate and strategic acquisitions over the years, we have broadened our capabilities, deepened our expertise and solidified our market position. Today, we stand as a dynamic, diversified enterprise built to serve and evolve needs, built to serve the evolving needs of both current and future clients across industries.

I'd like to give you a brief on this journey from on a timeline basis. In 1990, we launched a focused facilities management business, offering soft services, staffing services, maintenance services, engineering services and related support services. In 2007, we made our major acquisition with the majority stake in Avon Solutions, marking our entry into business support services. Avon is a pioneer in mailroom management and in India and has since expanded into courier services, warehouse management and logistics.

In 2018, in response to evolving client needs, we enhanced our integrated facilities management offering by acquiring a majority stake in Fusion Foods, marking our entry into institutional catering. Initially focused on corporate, the business now is expanded into the industrial and education sectors.

In 2019, we entered the airport ground handling business by acquiring a majority stake in global flight handling. Starting with six airport contracts, the business now operates in 23 airports across the country. In 2020, we expanded into two new verticals, feminine hygiene and employee background verification, audit and employee background verification and audit and assurance services. Through this acquisition of washroom hygiene concepts and metric business services.

In 2022 and 2023, we strengthened our presence in space enablement and the BSS space through two strategic moves: the acquisition of a majority stake in Deneve, followed by Athena in 2023. Both companies are well-positioned to drive scalable long-term growth.

In 2024, a landmark year where we successfully entered the public markets with an IPO that raised about Rs 640 crores, enabling us to invest further into innovation, expansion and capability building. In 2025, we launched a global advanced training center for aviation skills, reinforcing our commitment to talent development in aviation. At UDS, our focus remains on delivering measurable value through end-to-end integrated facilities management and business support services.

Today, an increasing number of large corporates are shifting towards solution-based bundled service models, partnering with IFM service providers like ourselves, mainly to streamline operations, optimize cost and enhance efficiency. This shift is driven by a need for agility, scalability and access to specialized expertise. By opting for integrated solutions, organizations benefit from seamless service delivery, adoption of next-gen technologies and the ability to rapidly respond to the evolving business needs. More importantly, it empowers them to focus on their core competencies and strategic growth, while we manage the operational complexity, delivering value across every layer of their enterprise.

Now, let me give you a quick summary of both the verticals, the IFM and the BSS. Integrated facilities management at UDS spans a comprehensive suite of services, including soft services such as housekeeping, support and pest control, protection support where we do warehouse management, inventory control, equipment upkeep and medical handling, engineering solutions like HVAC, fire safety and EMCs, hygiene services with washroom, feminine hygiene care, warehouse management services and procurement services solutions. 11:51

We are proud to be number one in protection support services in the market, as a market leader, in the top five in all the other services like engineering, hygiene, care solutions and soft services. Our catering vertical operates through Fusion Foods, while our tech-driven procurement and service platforms are powered through WindWay and Dalgene. Across 12:21 every segment of IFM, we consistently rank among the top five players in the industry, a testament to our operational excellence and unwavering service quality and enduring trust of our customers.

Our business support service vertical is a strategically diversified arm of UDS, delivering through a portfolio of specialized subsidiaries, each excelling in its own domain. Sales enablement is driven by Denev and Athena. Denev serves as a leading global IT, ITSS and telecom client, delivering demand generation, lead management, digital marketing, analytics and field force management. Athena complements this by focusing on high-volume B2C telesales, particularly within the BFSI sector. Together, they position us as a market leader in sales enablement solutions.

Matrix Business Services provides robust employee background verification and employee background verification, scanning address, ID, education, employment and legal checks. Matrix also offers audit and assurance services, specializing in warehouse, retail, distribution and supply chain audits for FMCG and also other durable sector, consumer durable sector, along with marketing claims verification and back office support.

Avon Solutions and Logistics is a pioneer in mailroom management and offers customized logistics and office supply solutions, helping clients organize internal workflows and delivery timelines. Through global flight handling, we offer end-to-end airport ground handling services, including baggage, cargo, airport turnaround, passenger movement and meet and greet services. Additionally, we support industry readiness through specialized airport staff training programs for strengthening operations in the aviation sector.

Collectively, these capabilities reflect our commitment to delivering high impact, integrated and scalable business support solutions that drive efficiency, compliance and customer satisfaction. Thank you and I would now hand it over to Ms. Radha Ramanujan to take us through the financial update for the year.

Radha Ramanujan: Thanks, Raghu. Good day to everyone here. I'll take you through the brief financial update for the financial year 2025. Our total revenues to the Rs 27,718 million and the operations revenues to Rs 27,360 million, reflecting a growth of 12% on a year-on-year basis.

Our EBITDA grew to Rs 2,020 million and EBITDA without other income grew to Rs 1863 million in FY 2025, again reflecting a growth of 28% on a year-on-year basis. On a percentage basis, the EBITDA was 7.3%, again 6.4% compared to the last financial year and if I exclude the interest income, the EBITDA margin stood at 6.8% for FY 2025 and 5.5% in FY 2024. Our profit before tax stood at Rs 1,447 million, which was up by 71% compared to the last year, and our profit after tax stood at Rs 1,190 million, which was up by 80% year-on-year basis, and our EPS increased by 56% over FY 2024.

If I have to give the breakup between IFM and BSS, the IFM segment revenue was 66% of the total revenue which was at Rs 18,182 million and it grew by 10% year-on-year basis and the PBT for IFM was Rs 11,78 million which again grew by 124% year-on-year basis and the PBT margin stood at 6.34% and coming to BSS segment, 34% of the total revenue contribution came from BSS segment. The revenue stood at 9,535 million which was a 17% growth on a year-on-year basis, and the PBT was Rs 576 million, which grew 18% year-on-year basis, and the PBT margin of the BSS segment was 6%. Thank you, and I'll take up the questions if any little later and I am handing it over to Raghu for the conclusion, or Sandhya probably can take over the subsequent procedures.

Company Secretory: There are no qualifications, observations that came from the financial statement. The Statutory Auditor's report on standalone financial statements and consolidated financial statements are available in pages numbers 155 and 241 of the Annual Report, respectively. Statutory Auditor's report is annexed as annexure 3 to the Board's report on page number 76 of the Annual Report. The Statutory Auditor, BSR & Co and the Secretary Auditor, A.K. Jain and Associates, have expressed an unqualified opinion in respect to audit reports for the financial year FY25.

As the notice is already been circulated to all the members. The notice convening the meeting will be taken as read. Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, the company has provided you all the facility to cast your vote electronically on all resolutions set forth in the notice.

The period for remote voting had concluded by 5 pm yesterday. Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their vote through the e-voting system provided by NSDL. Members may please note that no vote is by a show of hands. There are five additional steps for the notice. The floor is open for any questions and members after the resolutions are tabled.

Item number one of the notice is to receive, consider and approved and adopt the audited financial statements of the company for the financial year ended March 31, 2025 together with the report of the Board of Directors and the auditor's report thereon and the audited financial statements of the company for the financial year ended March 31, 2025 together with the report of the auditor thereon.

Item number two of the notice, reappointment of Mr. Raghunandana Tangirala, Managing Director and Chairperson of the company, liable to retire by rotation.

Item number three of the notice, to appoint M/s A.K. Jain and Associate, Practicing Company Secretary of Chennai as the Secretary Auditors of the company to hold office for a period of five years, commencing from April 1, 2025, until March 31, 2030.

Item number four of the notice, to approve the payment of remuneration to Mrs. Jigyasa Sharma, Executive Director of the company.

Item number five of the notice, to consider and approve the payment of commission not exceeding 1% of the standalone net profits of the company to non-executive directors of UDS for the financial year FY25-26.

The speaker shareholders are requested to restrict their queries to the accounts for the financial year FY25 and confine their observation comments to preferably about three minutes. I need your cooperation. The speaker shareholders are requested to ask all their questions, and then the Chairman, CFO will respond at the end. I request the moderator to start with the speaker shareholders.

The floor is now open for questions.

Moderator: Thank you so much, ma'am. We would now like to go ahead with our very first speaker shareholder. I request Mr. Sarvajit Singh bearing folio number 1201910102090517 to please unmute himself and kindly proceed with the question. Mr. Sarvajit Singh, we are ready for you. Mr. Sarvajit Singh. Yes, sir. You have already been unmuted. We can have your questions now.

Sarvajit Singh: Chairman Sir *jis tareeke se aapne opening remark mai company ke baare mai humein btaya aur sir isse clear vision hota hai sir humara jo vision hai vo ek clear vision hai aur sir jis tareeke se aap log mehnat kar rhe hain uspar sir humein vishwaas hai ke aane wale time mai sir humein acchi si acchi return bhi milegi aur sir jis tareeke se aap log mehnat kar rhe hain , aane wala humara future hai vo sir ek bright future hai. Chairman, Sir hum log aapse company se sir kaafi time se jude huye hain aur sir humein poori ummeed hai ki jis tareeke se aap log mehnat kar rhe hain, vo aik aik investor ko investor-friendly approach aur acchi se acchi return dene k liye kar rhe hain. Sir hum ye hi kehna chahenge k aane wala hum bhagwaan se ye hi prarthana karte hain ki aane wala humara jo future hai vo aik bright future ho, vo cheez humein humaare share price mai bhi dikh rhi hai jis tareeke se aap log mehnat kar rhe ho aur hum logon ko acchi se acchi return de rhe hain. Baaki chairman sir aapke secretarial department ka aur aapke moderator ki bhi dhanyawaad karna chahenge jihone aapke saamne bolne ka humein mauka dia.* Thank you, Sir. thank you so much.

Chairman: Thank you so much. Unless I had to answer that. I don't understand that. Somebody can help me if I have to answer something, I can do that.

Company Secretary: At the end.

Raghunandana Tangirala: At this end?

Company Secretary: Yes. Moderator you can take the second speaker shareholder.

Moderator: Sure mam. Thank you so much. The previous shareholder was Mr. Sarvajit Singh. Sarvajit ji, your questions have been noted, and all of the questions will be answered all together. Going ahead with the next speaker shareholder, we have with us Mr. Ankur Chanda bearing folio number IN30236510914729.

Sir, we would request you to please proceed with the question.

Ankur Chanda: Am I Audible?

Moderator: Yes, Sir

Ankur Chanda: Good afternoon to everyone. *Sir mein pta nhi, mai ye kehna chahunga , pichle shareholder kaise keh rahe hain ki aapki mehnat dikhai de rhi hai share price pe kyuki hum already jo humara IPO price hai us se bhi neeche chal rhe hain. Aur mujhe nhi pta kon si aap galat lekar aaye hain kon se aapke galat decision hain jiske kaaran investor humaare share mai nhi aa rha aur humaare ko share holder ko returns nhi mil rhe to mujhe is baare mai thoda btaaiyega ki kya hum galat karte ja rhe hain lagataar jiske kaaran jo hai hum apne IPO price se bhi neeche aa gaye aur 50% se bhi jada down ho gaye hain aur lagaatar 52 week low ki taraf ja rhe hain. Matlab kya aisa galat kadam hum uthaye ja rhe hain jo hum lagaatar hum jo hai investor k paise, shareholder ka paisa jo hai khatam hota ja rha hai. Agar isi tarah chale to bohot neeche aa jaaenge, Sir is taraf dhyan dijiye. Aur shareholder friendly baniye, aisa kaam kijiye ki shareholder bhi khush rhe aur aap log jo hai return bhi acchi mile aur sab investor bhi khush rahe kyuki abhi tak aapke usme reflect nhi kar rha sir kaise hoga ye. Bus ye baatein btaaiyega . Bahut bahut dhanyawaad.*

Raghunandana Tangirala: Okay I think I will answer that also along with that, together.

Company secretary: Next shareholder, please.

Raghunandana Tangirala: Yeah, I can understand

Moderator: Sure, sure, I'm going ahead. Next, Mr. Manjeet Singh bearing the folio number IN30020610907641. Mr. Manjeet ji, we are ready for your questions.

Manjeet Singh: Hello, am I audible?

Moderator: Yes, Sir.

Manjeet Singh: *Company ki management team, secretarial team aur my co shareholders, mai sabhi ka swagat karta hu. Good afternoon, Sir. Humari company is tarah se aage pragati kare iski hum aap se ummed karte hain aur bhagwaan se prarthana karte hain, haalanki humara current year mai jo hai EPS badha hai isiliye hum aapse jaanna chahte hain ki ek quarter beetne k baad aage jo do quarter teen quarter bache hain unke liye humaare EPS growth k liye kya plan hai? Earnings per share. Kyuki shareholder chahta hai k hamaari company return bhi de. Employee benefit expenses hamne badhaye hain aur jo hai pehle ke mukable jyada rhe hain. To mein aapse janna chahunga ki kuch employees bhi hamne naye jode hain? Aap is baare mein batayein. Aur ,ye jo aap hamari munadi karate hain dhol peet kar ki bhai ye speaker, iska ye folio number, ye Sir folio number ka dhol mat peeta karo. Ye sensitive hai aur ye leak hona theek nahi hai. Folio number ki meri aapse request hai ki aao folio number mat bola kariye.*

Company Secretary: Noted, Sir.

Manjeet Singh: *Baaki company aage tarakki kare, iski ham aapse asha karte hain aur bhagwan se prarthna karte hain. Aur Sir, secretarial department ne jo mehnat kari hai wo jhalakti hai hamari balance sheet mein. Aur well in time balance sheet banayi hai aur sarkar dwara nirdharit 180 din ke samay mein, jo nirdharit samay hai, us se kaafi pehle balance sheet bana kar aapne board ko roo-b-roo kara hai. Aage company tarakki kare iski ham kamna karte hain. Thank you to the management team. Thank you to the secretarial team.*

Chairman: Thank you.

Company Secretary: Next speaker shareholder.

Moderator: Thank you so much. Thank you. Going ahead, the next speaker shareholder, we have with us Mr. K Bharat Raj. Ma'am, would you like to go ahead with announcing the folio number?

Company Secretary: Not required.

Okay. Mr. Bharat, thank you so much for joining us today. We are ready for your questions, sir.

K Bharat Raj: Very good afternoon, Mr. Chairman, entire Board of Directors. I'm Bharat Raj from Hyderabad. Chairman, Sir, first of all, it is a successful listing second year.

Under leadership, my company is growing, and the performance is very well. And I support all the resolutions. Chairman, Sir, what is your capex plan for the next three years? Please let me know.

For the expansion of our company, any plans for the right issues and QIPs? Please let me know. Regarding this impact in the Israel and Iran war and the Russian and Ukrainian war, any impact on our business and the USA, any impact on our businesses, please let me know. Any plans for the expansion of our company apart from India, any other parts of the country, please let me know.

Chairman, Sir, I want to bring to your notice the secretarial services, Sir. I have not received the annual report. Ms. Sandhya is not always accessible. There is no contact number. Last year, I called to her mobile phone to know what the information. She immediately asked how you got my number and immediately blocked my number, Sir.

In my history, no company secretary has ever behaved like this, Sir. So many company secretaries, ladies call me, Sir, please attend the AGM. This is my number, please give it. I don't know, Ms. Sandhya, how she even behaved with the shareholder. I don't know, Sir.

Sir, this is poor corporate governance. Poor secretarial Services. Chairman, Sir, don't accept this. And last year, I requested you for the happy listing. Please send dry foods.

That also no response, sir. Sir, what is this small dry food, about a thousand rupees, not a big issue, sir. A lot of miscellaneous expenses are being spent on other expenses, crores of rupees, Sir.

What is the cost of a thousand rupees, Sir? Nothing, Sir. We have requested you out a love and affection for the company chairman. So, I support all the decisions, Mr. Chairman, be happy.

Next year, conduct a hybrid mode AGM, sir, so that we can meet you personally, we can see you, sir. And see that next year, conduct hybrid mode. I support all the decisions.

Thank you very much for giving me the opportunity. Take care, sir. God bless you, Mr. Chairman. All the best. Thank you very much.

Chairman: Thank you.

Moderator: Thank you so much. This brings us to the end of all of the questions from all of the registered speaker shareholders. Next, we would like to go over to the dais to help us with the answers on the same.

Thank you so much. Yeah, I think the first question, I need some help from Sarveet Singh, because I did not get it, but I could answer the other prices. Basically, it is on the other three questions are very similar on the share price, why the share price has fallen down from whatever the issue price or listing price.

I think we should be patient. I think the market will reward. If you look at our performance, both in terms of top line, bottom line, everything has actually been, if you compared to last year, it could be very, very high previous year, 24-25.

But on a business basis, we are consistently growing at about 15 odd percent, which is actually last year to be much larger because of certain adjustments the previous year. So I think in a performance-based industry, we are the tops in that in our industry in our segment, because we still have at least about two or three listed companies doing a similar business or in a similar line of business. So if you compare the kind of performance, what we have done, we are by far superior.

We have done extremely well in terms of all the parameters. There was a question also on the EPS. Our EPS also grew at about 20-25 percent.

Company secretary: 17 percent.

Chairman: 17 percent. Our top line, if you even normalize it, we have grown about 15, 20 percent. Our bottom line, I think it is a matter of time.

No, because of adjustments, we have grown at 66 percent. On a steady state, we will do 15 percent in this market, which we consider as a fairly good performance.

Yes, the geopolitical issues, all these will affect our market because many of our clients are dependent on those things. However, we will still not be very negative on that. We still have different sectors, different segments.

So, I don't believe that these geopolitical issues will really impact us in any big way. So that much is clear because we have seen this first quarter, and we see visibility for the next two quarters. So, I think we need to be patient. The market should reward. I think performance-wise, we are the best in terms of your comparable competitors. So, the first, Saravjit Singh's question, I'm not able to get, but I think the other questions are all pertaining to share price. Why the price has not gone down, the EPS and the geopolitical.

And also, if there is a question from Bharat Raj on the rights issue, that's the thing that the board has to decide. We will consider that, but that's a decision which the committee has to do. So, the first three-year, five-year plan, yes, whatever we guided, it's not a guidance, like a guidance, but it's a kind of a soft guidance, what we said, 15% growth on all aspects, bottom line, top line. Yes, we are looking at, we have raised money for acquisition. So, we are actively looking for that.

So that would add to our inorganic growth. So we would like to do this, maybe three years, we would want to double it, even though I'm telling you 15% growth, our internal targets are, we would like to double in three years, but these are all not guidance, soft guidance. This is what our aspirational numbers are.

Expansion beyond India was another question. I don't, we don't have any plans right now, but we are open to that. We may, what we look at in our kind of services, the best market for us would be the Middle East, but I have no plans right now, but we are open to that.

Chairman: The global, I've already said, right. Geopolitical is not going to impact us in any major ways. That's what I can see now. That's what we believe now.

Sandhya Sarvanan: On the annual report printing, yes, it helps us cost savings of thousands of rupees. We also strongly believe in green economy and other things, and we don't want to waste a lot of paper on that. And of late, everybody is requesting that they get a PDF version of it, and many citizens are discouraging printing big, big annual returns. So that was a strategy for it. And yes, if you need it, we will get it done for you and send it to you.

Company Secretary: Whoever has requested, there were about few shareholders who had requested. Yesterday, one set of dispatchment has been done. We hope they will be receiving it in another few days.

Chairman: Yeah, I think if I've answered all the questions, if there's nothing else, I think we can conclude it.

I can hand it over to Sandhya to conclude the remarks.

Company Secretary: Thank you. Members may note that the voting on the NSDL platform will continue to be open for 15 minutes after the closure of the meeting.

Members who have not cast their vote yet are requested to do so. The Board of Directors have appointed Mr. Alagar, Managing Director of Alagar & Associates, Practicing Company Secretary, as the scrutinizer to supervise the pre-voting process. The Chairman has authorized Sandhya Saravanan, Company Secretary, to declare the result of the voting and place the results on the website of the company at the earliest.

The resolutions as set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes. We are grateful to all our shareholders from across the country who have participated in this AGM through video conference. Thank you to all attending the meeting.

The Chairman hereby declares the proceedings as closed. Thank you.