



TRANSCRIPT OF 39TH
ANNUAL GENERAL MEETING

Day: Thursday, September 26, 2024

Time: 03:00 p.m.

Mrs. Gauri Y Bapat: Good afternoon everybody. I am Gauri Y Bapat, Company Secretary of the Company joining this meeting from Registered Office at Vadodara. It gives me immense pleasure to welcome you all at the 39th Annual General Meeting of Munjal Auto Industries Limited.

We have with us, Shri Sudhir Kumar Munjal, Chairman & Managing Director of the Company. He is the Chairman of Risk Management Committee and Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

I request CMD Sir to proceed.

Mr. Sudhir Kumar Munjal: Thank you Gauri. Namaskar and very good afternoon, dear shareholders, my fellow Board members, ladies and gentlemen. A very warm welcome to you all at the 39th Annual General Meeting of your Company. I pray that you all, your families and all your loved ones are keeping safe and staying healthy.

I am Sudhir Kumar Munjal, joining this meeting from Gurugram. As you are aware, this meeting is being held through video conferencing mode, as permitted by the Ministry of Corporate Affairs and SEBI. I thank you all for participating in this AGM through video conferencing.

It is my pleasure now to introduce the Board members and other officials present at the meeting to you.

Smt. Anju Munjal is Whole Time Director of the Company and a Member of Corporate Social Responsibility Committee. Mrs. Anju Munjal, please

Mrs. Anju Munjal: I am Anju Munjal, joining this meeting from Delhi. Thank you!

Mr. Sudhir Kumar Munjal: Shri Anuj Munjal is Whole Time Director of the Company. He is a Member of Stakeholders' Relationship Committee and Risk Management Committee. Mr. Anuj Munjal, please ...

Mr. Anuj Munjal: I am Anuj Munjal, joining this meeting from Gurugram. Thank you!

Mr. Sudhir Kumar Munjal: Ms. Avi Sabavala is a Non-executive Independent Director of the Company. She is Chairperson of Stakeholders' Relationship Committee and a member of Audit committee. Ms. Sabavala, please ...

Ms. Avi Sabavala to Say: I am Avi Sabavala, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Shri Sunil Vakil is a Non-executive Independent Director of the Company. He is the Chairman of Audit Committee and a Member of Nomination and Remuneration Committee. Mr. Vakil, please ...

Mr. Sunil Vakil: I am Sunil Vakil, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Shri Atul Patel is a Non-executive Independent Director of the Company. He is the Chairman of Nomination and Remuneration Committee and a Member of Audit Committee Mr. Atul Patel, please ...

Mr. Atul Patel: I am Atul Patel, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Shri Sameer Khera is a Non-executive Independent Director of the Company. He is the Chairman of Corporate Social Responsibility Committee and a member of Stakeholders' Relationship Committee and Risk Management Committee. Mr. Khera, please ...

Mr. Sameer Khera: I am Sameer Khera, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: I would also like to recognize the attendance of Mr. Brham Prakash Yadav, Chief Financial Officer joining this meeting from Corporate Office, Gurugram.

The representatives of the statutory auditors, Mr. Pratik Parikh and Mrs. Neela R Shah from M/s. K. C. Mehta & Co. LLP ; Secretarial Auditor, Mr. Devesh A. Pathak, from M/s. Devesh Pathak & Associates; Internal Auditor, Mr. Ashish Jaiswal from CNK Associates LLP are present at this meeting from the respective offices.

Mr. Sudhir Kumar Munjal: Ms Gauri, would you please confirm the quorum of this meeting?

Mrs. Gauri Y Bapat: Yes Sir, Requisite no. of Members including Authorized Representative are virtually present through video conferencing.

Mr. Sudhir Kumar Munjal: Thank you Gauri

Dear Members, as we have the requisite quorum present through video conferencing to conduct the proceedings of this meeting, I now call this meeting to order.

As the notice of the 39th Annual General Meeting is already with you, therefore, I take the same as read. I would like to inform the shareholders that there are no qualifications or reservations either in the Auditors Report or in the Secretarial Audit Report and accordingly, they need not be read.

The statutory registers are available at the CDSL E-voting platform for inspection electronically till the conclusion of this meeting.

Mrs. Gauri Y Bapat: Now, I request Chairman Sir, to address us.

Mr. Sudhir Kumar Munjal: Good afternoon Ladies and Gentlemen, and very warm welcome to the 39th Annual General Meeting of Munjal Auto Industries Limited.

In the beginning, let us warmly congratulate our visionary Prime Minister Shri Narendra Modiji for winning a third consecutive term. The 2024 parliamentary elections have created a victory for stability, continuity, and, above all, for India's vibrant democracy. This has enhanced India's reputation globally.

ECONOMY

The Global economy is facing significant geopolitical challenges. The conflicts in Ukraine and Israel have formed a cloud of fear and uncertainties. The goods supply-chain disruptions due to trade route blockages, owing to the wars, has had inflationary impact on economies. Growingly, every country is caring for its people first. Providing more employment, hence reducing imports. Making immigration laws tougher, increasing duties to protect its industries.

'The India Decade' is the new term coined by experts. It implies that the opportunities for India over the next decade or so are phenomenal. The factors contributing to this are, its unique demographic and economic progress, The shift in the world order, and the continuing China plus one strategy which benefits India.

The Auto industry is witnessing disruptions. The renewed focus on electric vehicles over the past few years has removed the gravity. Everything is afloat and anything is possible once the dust settles. We are now talking about different kinds of powertrains, IC engines, Hybrids, EVs, CNG, Methane, Hydrogen, to count a few. Each has its own pros and cons and are in different stages of development. The future is going to be a mix of all of these, but how much of which will only be clear as time progresses.

YOUR COMPANY

The Indian 2W industry has continued its progress and is inching closer to the pre-pandemic level with back-to-back double-digit growth. This progress has come with newer trends. First, the progress of electrification of vehicles is no longer seen as an existential threat to the IC engine. It is becoming more evident that it will coexist as another category of vehicles. Second the industry is progressing towards higher cc value added products.

Both these trends are positive for your company as the primary business continues to grow stronger.

That said, your company is gearing up for the new paradigm when the dust settles.

On the one hand we are expanding our presence in other sectors of the industry. We have made good strides in the 4 wheeler industry with TATA Motors and are constantly looking at expanding our customer base and product base.

On the other hand we are working towards creating expertise in providing lightweighting solutions to our customers. For this the company has tied up with IIT Delhi for conducting R&D on newer products, and is capitalizing on its presence in the composite industry, through its subsidy.

FINANCIAL PERFORMANCE

During FY 2023-24, total income of the Company was Rs. 1,360 Crores as compared to Rs. 1,595 Crores in FY 2022-23, showing drop of about 14.73%. This drop is primarily due to the drop in the prices of Bought out parts, and has had no adverse affect on the profitability.

Profit before tax and Profit after tax were Rs. 62.23 Crores and Rs. 39.47 Crores respectively for the FY 2023-24 as against Rs. 92.30 Crores and Rs. 65.73 Crores respectively in FY 2022-23 which can be mainly attributed to exceptional item by way of sale of surplus Land.

DEVELOPMENTS AT OUR SUBSIDIARY

In the past five years your subsidiary has quadrupled its turnover to reach 564 Crore rupees. Gujarat unit is poised for substantial growth with plans to double production capacity in the upcoming financial year to meet strong order demand. The business sector offers significant growth potential. Today the company is the leader in the country's windmill blades and tools manufacturers

Dear Shareholders,

DIVIDEND RECOMMENDATION

I am happy to inform you that the Board of Directors of your company has recommended payment of dividend at Rs. 2/- i.e. 100% dividend per equity share on Face Value of Rs. 2/- each for the financial year 2023-24 for your approval.

ACCOUNTS & AUDIT REPORT

Annual accounts with comprehensive appended notes and schedules, quantitative information and analysis duly accredited by Auditor's Report are adequate. Nonetheless, if any member present here needs some further input or is desirous of seeking clarification, we'll be glad to provide the same. We have already responded to our valued shareholders queries that reached us on time.

The Boards' Report and the Standalone and Consolidated Audited Financial Statements for the Year ended March 31, 2024, are already with you and with your permission, I take them as read.

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

On the Corporate Social Responsibility front, the Company continues to engage with communities through its wide-ranging CSR programmes and spent Rs. 77 lakhs in FY 2023-24.

As a Socially Responsible Corporate citizen, we have contributed to health, education and Livelihood promotion. We have supported many sustainable development projects to benefit communities in which our Company operates.

Your Company remains committed to the highest standards of Health, Safety, Security and Environment and Corporate Governance. We continue our efforts in ensuring and strengthening a strong safety culture in the Company.

ACKNOWLEDGEMENT

I take this opportunity to express my gratitude to the Board Members and particularly Independent Directors who had completed their term, Mr. Vikram Shah, Mr. Naresh Kumar Chawla, Mr. Mahendra Sanghvi, Mr. Ramkisan Devidayal, Mr. Sudesh Kumar Duggal, Late Mr. Jal Ratanshaw Patel for providing their counsel, support and encouragement.

Also I warmly welcome our distinguish Independent Directors, Mr. Atul Patel, Mr. Sunil Vakil, Mr. Sameer Khera and in continuation Ms. Avi Sabavala.

I am thankful to Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors for their constant support.

I also thank the employees of your Company for contributing immensely. I would also like to thank and acknowledge the continued cooperation, trust and support of the government of Gujarat, Uttarakhand, Haryana, Company's valued customers especially Hero MotoCorp and TATA Motors, suppliers, vendors, bankers and Auditors of the Company over the years. I am confident such enabling factors shall subsist to further help the Company navigate its course well in the new, opportunity-filled economic environment.

We deeply appreciate the faith and encouragement that our esteemed shareholders have bestowed on us, and I count on you for your continued support and goodwill.

On behalf of the Board of Munjal Auto Industries Limited, I want to thank you for making it convenient to join us. Your trust and support over the last three decades have given us the confidence to push ourselves, past challenges and complexities, to deliver consistent value for you year after year.

I wish everyone a healthy, safe and prosperous Year 2024-25.

Jay Hind!!!

Dhanyawaad!!

Mr. Sudhir Kumar Munjal: Now, I would like to brief you about the resolutions which are proposed to be passed at this meeting. There are "Six Resolutions" in the notice to be considered by the members at this Annual General Meeting.

Ordinary Business:

Item no. 1 of the notice relates to the adoption of financial statements. The standalone and consolidated financial statements of your Company for the year ended March 31, 2024 including the Audited balance sheet, statement of profit & loss and the reports of the Board and Auditors thereon have already been circulated to all the members.

It is proposed to be passed as an Ordinary Resolution. Let me move on to the other item of the agenda.

Item no. 2 "This item of Agenda pertains to declaration of dividend to the equity shareholders. The Board of Directors of your Company has recommended dividend @ 100% i.e. Rs.2/- per share on equity shares for the financial year 2023-24, for which your approval is solicited."

It is proposed to be passed as an Ordinary Resolution. Let me move on to the other item of the agenda.

Since I am interested in item no 3 to 6, I request Ms. Avi Sabavala to conduct these business items.

Ms. Avi Sabavala:

Item no. 3 relates to the re-appointment of Mr. Sudhir Kumar Munjal, (DIN: 00084080) as a Director liable to retire by rotation. His information in accordance with the Secretarial Standards and Listing regulations is already provided in the notice of AGM.

It is proposed to be passed as an Ordinary Resolution.

Let me move on to the other items of the agenda

SPECIAL BUSINESS: -

Ms. Avi Sabavala:

Item no. 4 relates to the Revision of Remuneration as well as continuation of payment of remuneration to Mr. Sudhir Kumar Munjal, (Din: 00084080) as a Managing Director. Text of resolution and explanatory statement are already provided in the notice of AGM.

It is proposed to be passed as a Special Resolution.

Ms. Avi Sabavala:

Item no. 5 relates to the Revision of Remuneration, continuation of payment of remuneration as well as re-appointment of Mrs. Anju Munjal (DIN: 00007867) as a Whole Time Director of The Company for the term of 5 years wef 29th September, 2024.

Text of resolution and explanatory statement are already provided in the notice of AGM. It is proposed to be passed as a Special Resolution.

Ms. Avi Sabavala:

Item no. 6 relates to the Revision of Remuneration, continuation of payment of remuneration as well as re-appointment of Mr. Anuj Munjal (DIN: 02714266) as a Whole Time Director of The Company for the term of 5 years wef 1st June, 2025.

Text of resolution and explanatory statement are already provided in the notice of AGM. It is proposed to be passed as a Special Resolution.

Mr. Sudhir Kumar Munjal: Now, I request the Company Secretary to briefly share, guidelines regarding e-voting and Q&A sessions.

Mrs. Gauri Y Bapat: Thank you, Sir. As you all know that the Company has tied up with CDSL for providing electronic voting facility to the Members of the Company under Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015 on all the resolutions set forth in the Notice. So, all those members who have not cast their votes electronically and who are attending this meeting have an opportunity to cast their votes at the meeting.

Your Company has appointed Mr. Devesh A Pathak of M/s. Devesh Pathak & Associates, Practising Company Secretaries, as the Scrutinizer for remote e-voting conducted from **Monday, September 23, 2024 to Wednesday, September 25, 2024**. They are also appointed as the scrutinizer for this meeting and will submit the combined result report.

Keeping in mind constraint of time and connectivity issues, we had requested Shareholders to register as a speaker or send queries in advance by Thursday, September 12, 2024.

I request CMD Sir to proceed.

Mr. Sudhir Kumar Munjal: Few members had asked queries in advance and have already been replied accordingly. Those who have any queries are welcome to get in touch with the CFO or Company Secretary and we will be glad to provide the information to you."

Now, I request Mr. Devesh A. Pathak of M/s. Devesh Pathak & Associates, Scrutinizers to give you instructions for e-voting at the meeting for all business set forth in the Notice.

Mr. Devesh A. Pathak: Thank you, Sir, Good morning, members of the MUNJAL AUTO INDUSTRIES LIMITED. I would like to share instructions relating to e-voting at the meeting.

1. Those who have already e-voted at the remote e-voting will not be entitled to e-vote at this meeting. However, if voted, remote e-voting would prevail.
2. Those who have logged in to attend the meeting are only entitled to e-vote.
3. E-voting is already open and would be allowed up to 15 minutes after the meeting.

Mr. Sudhir Kumar Munjal: With this the 39th Annual General Meeting comes to an end. I would like to thank my colleagues on the Board as well as invitees. I would also like to thank all the shareholders. I am grateful to you for your time and involvement. I further hereby authorize, Company Secretary to announce the voting results within two working days of the conclusion of Annual General Meeting and intimate to the BSE & NSE and declare the meeting as concluded.

Vote of Thanks:

Mrs. Gauri Y Bapat: Thank you Sir, for chairing the meeting.

I would like to thank Chairman Sir for chairing the meeting, other Directors and invitees to grace the meeting and the shareholders for attending the meeting.

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