



TRANSCRIPT OF 38TH
ANNUAL GENERAL MEETING

Day: Saturday, September 02, 2023

Time: 11:00 a.m.

Mr. Rakesh Johari: Good morning everybody. I am Rakesh Johari, Company Secretary of the Company joining this meeting from Registered Office at Vadodara. It gives me immense pleasure to welcome you all at the 38th 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 Rakesh. Namaskar and very good morning, dear shareholders, my fellow Board members, ladies and gentlemen. A very warm welcome to you all at the 38th 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.

Mrs. 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 Stakeholder's Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. Mr. Anuj Munjal, please ...

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

Mr. Sudhir Kumar Munjal: Mr. Vikram Shah is a Non-executive Independent Director of the Company. He is the Chairman of Audit Committee & Corporate Social Responsibility Committee and a Member of Nomination and Remuneration Committee. Mr. Shah, please ...

Shri Vikram Shah: I am Vikram Shah, joining this meeting from Ahmedabad. Thank you!

Mr. Sudhir Kumar Munjal: Shri Naresh Kumar Chawla is a Non-executive Independent Director of the Company. He is the Chairman of Stakeholder's Relationship Committee and a Member of Audit Committee, Risk Management Committee & Corporate Social Responsibility Committee. Mr. Chawla, please ...

Shri Naresh Kumar Chawla: I am Naresh Kumar Chawla, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Shri Mahendra Sanghvi is a Non-executive Independent Director of the Company. He is the Chairman of Nomination & Remuneration Committee and a Member of Stakeholder's Relationship Committee. Mr. Sanghvi, please ...

Shri Mahendra Sanghvi: I am Mahendra Sanghvi, joining this meeting from Mumbai. Thank you!

Mr. Sudhir Kumar Munjal: Shri Ramkisan Devidayal is a Non-executive Independent Director of the Company. He is a Member of Stakeholders' Relationship Committee and Nomination and Remuneration Committee. Mr. Devidayal, please ...

Shri Ramkisan Devidayal: I am Ramkisan Devidayal, joining this meeting from Vadodara. Thank you!

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

Shri Jal Ratanshaw Patel: I am Jal Ratanshaw Patel, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Shri Sudesh Kumar Duggal is a Non-executive Independent Director of the Company. He is a Member of Audit Committee and Stakeholder's Relationship Committee. Mr. Duggal, please ...

Shri Sudesh Kumar Duggal: I am Sudesh Kumar Duggal, joining this meeting from Vadodara. Thank you!

Mr. Sudhir Kumar Munjal: Ms. Avi Sabavala is a Non-executive Independent Director of the Company. Ms. Sabavala, please ...

Ms. Avi Sabavala: I am Avi Sabavala, 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 the 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 Auditors, Mr. Devesh A. Pathak, from M/s. Devesh Pathak & Associates; Internal Auditors, Mr. Ashish Jaiswal from CNK Associates LLP are present at this meeting.

CMD Sir to Continue: Rakesh, would you please confirm the quorum of this meeting?

Mr. Rakesh Johari: Yes Sir, Requisite no. of Members including Authorized Representative are virtually present through video conferencing.

Mr. Sudhir Kumar Munjal: Thank you Rakesh.

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 38th 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.

Mr. Rakesh Johari: Now, I request Chairman Sir, to address us.

Mr. Sudhir Kumar Munjal: Good Morning Ladies and Gentlemen.

It is my honor to welcome you all to the 38th Annual General Meeting of Munjal Auto Industries Limited.

We gather here as our country has added yet another feather to its cap with the successful landing of the Vikram lander of the Chandrayan-3 mission on the moon's south pole. With this, we are the only country to land on the South Pole and the 4th to land on the moon.

Truly a proud moment.

India is also presiding over the G20 this year. All throughout the year conferences and meetings have been happening all over the country, and next week, the heads of states of all the G20 nations are going to meet in Delhi.

With these developments, it will not be wrong to say that it is India's time to shine.

INDIAN ECONOMY AND BUSINESS ENVIRONMENT

India, today, is poised for great leaps in economic activity over the next decade. Our own governance and stability, coupled with the changing world order has put India at the center of the world's attention.

Our country's push on 'Make in India', 'Atmanirbhar Bharat', 'Startup India', PLI Scheme', 'Digital India', push on infrastructure, have all started to bear fruits. As a result, the economy is robust. India has also, over the past years, made striding improvements in its banking and financial sector, reducing the NPAs and increasing efficiencies.

On the world order front, as the developed economies are looking for more partner countries because of their China plus one campaign, India is well positioned. Our government is also actively looking at Gaps in the world economy and assisting industry to commit investments in such areas. Examples of this are the electric vehicle ecosystem, electronics, and chip manufacturing. Where the country aspires to be a leader.

INDIAN AUTOMOTIVE INDUSTRY

For the first time, the Indian Auto Industry is seeing a divide in the movement of the Two-Wheeler and Four-Wheeler market. This is primarily due to the Rural – Urban divide. While the Four-wheeler market is driven by the urban market, the two-wheeler is dependent on the rural.

In the aftermath of the pandemic, the rural incomes did not rise in tandem with the price of the two-wheeler, as the BS 6 implementation made them more expensive. This, coupled with the disruption caused by the electrification drive, has put pressure on the sector.

Both, the two-wheeler as well as the four-wheeler markets, are also witnessing a shift in customer preferences. As a result, certain sub-segments are picking up while others stay suppressed. For example, there is increased demand for SUVs and less for the lower segment cars.

All these changes call for the component sector to be more vigilant and agile. While these changes pose some threats, they also bring with them opportunities to enter new areas of business.

Your company is actively looking at newer opportunities.

YOUR COMPANY'S PERFORMANCE AND OUTLOOK

During FY 2022-23, the total income of the Company was Rs. 1,595 Crores as compared to Rs. 1,716 Crores in FY 2021-22, showing a drop of about 7.05%.

Profit before tax and Profit after tax were Rs. 92.30 Crores and Rs. 65.73 Crores respectively during the current year as against Rs. 30.04 Crores and Rs. 20.81 Crores respectively in the previous year which can be mainly attributed to exceptional item by way of sale of surplus Land at Waghodia plant.

The drop-in sales is more on account of the reduction in the price of certain input materials and consequently the customer price. Your company is constantly working on increasing production efficiencies through better, more agile systems. Hence, we are able to maintain profitability despite cost pressures. Such efforts will continue in the years to come.

The performance of your subsidy, Indutch Composites, is also encouraging. This year it has doubled its turnover to 400 crore rupees. Indutch has started two new facilities near Chennai in the financial year. The company's loss is on account of the initial operating losses of these plants. In the coming quarters, it will show encouraging results. Indutch is also gaining a good reputation in areas of Wind Energy, Defence, and Aerospace.

In order to further diversify our risks at Munjal Auto, we are looking at opportunities in both, the automotive and non-automotive sectors. We are also working on opportunities arising out of the synergies between sheet metal and composite products that result in light-weighting of vehicles, which is the demand of the day.

We will keep you posted on further developments.

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 2022-23 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.

The Directors' Report and the Standalone and Consolidated Audited Financial Statements for the Year ended March 31, 2023, 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. 62 lakhs in FY 2022-23.

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 imbibing and

strengthening a strong safety culture in the Company. We also engage our contractors and other stakeholders in this endeavour.

ACKNOWLEDGEMENT

I take this opportunity to express my gratitude to the Board Members and particularly distinguished Independent Directors for providing their counsel, support and encouragement. 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, all employees, bankers and the stakeholders 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 FY 2023-24.

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 "Four 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, 2023 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 2022-23, 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.

I, being interested in the upcoming resolution, request Mr. Vikram Shah to conduct the next business item.

Shri Vikram Shah:

Item no. 3 relates to the re-appointment of Mr. Anuj Munjal, (DIN: 02714266) 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.

SPECIAL BUSINESS: -

Shri Vikram Shah: Let me move on to the other items of the agenda

Item no. 4 relates to the re-appointment of Mr. Sudhir Kumar Munjal (DIN 00084080) as a Managing Director of the Company for another term of five years commencing from October 29, 2023, to October 28, 2028, even if he has already attained the age of 70 years, and liable to retire by rotation, in compliance with the Companies Act, 2013 as well as regulation 17(6)(e) of SEBI (LODR) Regulations, 2015. Text of resolution and explanatory statement are already provided in the notice of AGM.

It is proposed to be passed as a Special Resolution.

(Then Mr. Vikram Shah handed over mike back to Mr. Sudhir Kumar Munjal CMD)

Mr. Sudhir Kumar Munjal: 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 Wednesday, August 30, 2023 to Friday, September 01, 2023. 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 Saturday, August 19, 2023.

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 38th 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:

Mr. Rakesh Johari: 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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