



“S.J.S. Enterprises Limited

19th Annual General Meeting”

August 20, 2024

Transcript of the 19th Annual General Meeting of S.J.S. Enterprises Ltd.

Company Secretary: Company Secretary and Compliance Officer of S.J.S. Enterprises Ltd. I welcome you all to the 19th Annual General Meeting of the Company, which is being held through video conferencing and other audio-visual means. In accordance with the framework issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India in their respective circulars. I wish to state that the proceedings of this meeting are being recorded for compliance purposes in accordance with the provisions of the Companies Act 2013 and the SEBI regulations. For smooth conduct of the meeting, all members will be in mute mode.

For members who have been registered and confirmed as a speaker to speak at the meeting, their audio and video will be enabled during their turn. The moderator shall announce the names of these speaker shareholders in a sequence to speak and ask questions. We would like to request the speaker shareholder to limit their speech to two to three minutes.

Since there is no physical attendance of the members, the requirement of appointing a proxy is not applicable at this meeting. There are 4 resolutions that have to be placed for the approval of the shareholders. Members have been provided with the facility to exercise their votes to vote by electronic means, both through a remote e-voting facility and e-voting at the Annual General Meeting.

Accordingly, the company had provided facility to the members to cast their votes through remote e-voting facility administrated by Link Intime India Pvt. Ltd. from 17th August 2024, 9 a.m. to 19th August 2024, 5 p.m. Further, the facility to cast their vote at the AGM is also available for those members who have not cast their votes through remote e-voting and are participating in this meeting.

The voting system will be available at the end of this meeting for 30 minutes. During the AGM, if any one of you faces any technical issue, I request you to contact the helpline at 022- 4918 6175. This number is also mentioned in the AGM notice.

Now let me introduce the Chairman of the company, Mr. Ramesh C. Jain. Ramesh C Jain is the Chairman and Independent Director of the company and is joining through VC from Gurugram. He is also a member of the Audit Committee and Nomination and Remuneration Committee of the company.

Now I would request Mr. Ramesh C Jain to take the chair and commence the proceedings of the meeting.

Ramesh C. Jain: Thank you, Thabraz.

Dear share owners, members of the board, distinguished guests and ladies and gentlemen,

Good afternoon, namaskar and a very warm welcome to each and every one of you. It gives me great pleasure to address all of you on behalf of the board of directors of SJS. I'm delighted to welcome all to the 19th annual general meeting of your company for the financial year 24 being hosted through a digital platform.

Now I would like to introduce you to the board members who are present in this meeting.

1. K. A Joseph, co-founder, Managing Director and a member of the stakeholders relationship committee and CSR committee.

K. A Joseph: Namaskar and good afternoon to all.

2. Sanjay Thapar, chief executive officer and executive director, chairman of the risk management committee, member of the audit committee, member of stakeholders relationship committee and CSR committee.

Sanjay Thapar: Namaskar.

3. Kevin K. Joseph, Executive Director

4. Veni Thapar, independent director, chairperson of the audit committee and NRC and also a member of the CSR committee, stakeholders' relationship committee and risk management committee.

Veni Thapar: Namaskar.

And

5. Mathias Frenzel, independent director and chairman of the stakeholders relationship committee and CSR committee and member of NRC committee.

Mathias Frenzel: Good afternoon.

Ramesh C. Jain

All of them are present virtually from their respective locations. Apart from them, representatives of the statutory auditors, secretarial auditor, Internal auditor and cost Auditor of the company are also participating in this meeting from their respective locations. I would also like to introduce the key management personnel, Mr Mahendra Kumar Naredi, Chief Financial Officer and Mr Thabraz Hushain, Company Secretary and Compliance officer, who have joined the meeting.

I have been informed by Thabraz that the requisite quorum is present through the VC to conduct this meeting. Since the quorum is present, I now call all this meeting to order. I wish to state that I am satisfied with the facilities provided to the members of

the company for participating in this meeting through video conferencing. The company has made all efforts feasible under the circumstances to enable the members to participate and vote on the items being considered in the meeting. The statutory register as required under the Company Act 2013 has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to compliance@sjsindia.com.

Since the notice of the AGM along with the financial statements and board report is already circulated to all the members, I take the notice convening the meeting as read. Now, I would like to take a few minutes and update you on all about the year gone by.

As you are aware, SJS is an established market leader in a very attractive and niche business segment. The demand for the decorative aesthetic industry in India in the last fiscal was estimated to be about Rs. 33 billion and is projected to grow at 20% CAGR. However, we operate in a high-value-added aesthetic market across multiple consumer-oriented industries. Our business model and diversification strategy are our biggest differentiators and have enabled us to consistently outperform the underlying industries.

Our journey of growth and value creation continued during the financial year 24 despite external challenges. In the financial year 2024, we manufactured over 7,000 plus SKUs and supplied over 169 million parts to our customers across 22 countries and 180 plus customer locations. We owe all of our success to our teams whose relentless efforts in pursuing opportunities and pivotal actions brought us closer to achieving our ambitious goals.

The Indian economy remains resilient amidst global headwinds, demonstrating strength and a vision for sustained growth. As the fifth largest economy globally, the nation continues to maintain its position as the world's fastest-growing major economy. India's gross domestic product grew by 8.2% in the financial year 23-24 as against 7.2% in the financial year 22-23, driven by both private and government investments, improved rural consumption, controlled inflation, stable interest rates and proactive policy measures. The Indian automotive industry also showcased strong growth in the financial year 23-24, driven by a combination of factors including enhanced consumer confidence, new model launches, product upgrades from original equipment manufacturers and a shift towards premiumization. In the passenger vehicle segment, domestic sales grew by 8.4% to 4.22 million units compared to 3.89 million units in the previous year.

The two-wheeler segment also experienced strong growth of 13.3% year-on-year, reaching total domestic sales of 17.97 million units compared to 15.86 million units in the previous year. Positive market indicators including improved vehicle availability, increased electric vehicle adoption and government support for sustainable mobility indicate a promising growth trajectory. Furthermore, the industry is experiencing a gradual transition towards technologically advanced products, marked by the

integration of innovative features like 3D appliques, cover glass optical plastics for digital dials, touch-based navigation systems in various applications, Lensmark assembly, the premium IMD i.e. in-mould decoration and IMM i.e. in-mould labelling parts. The shift is a significant driver for product differentiation amongst OEMs and consumer appliance companies. By embracing cutting-edge features and functionalities, manufacturers are enhancing the appeal and functionality of their products to meet evolving consumer preferences. You will be delighted to know that in the financial year 2023-2024, once again, we surpassed the automotive industry's performance.

This achievement is attributed to the inclusion of Walterpack India and the significant contributions from the consumer segment and exports. The successful acquisition of Walterpack India has opened numerous avenues for SJS. It has broadened our footprint in passenger vehicles and consumer appliances and electrical segments, reducing our dependence on two-wheelers.

It has enhanced our product range from new technology categories such as IML, IMD and IMF which is in-mould forming, enabling us to offer innovative solutions by vehicle interior lighting and IME means in-mould electronic solutions for the next generation vehicles. Both Exotech and WPI i.e. Walterpack Industries acquisitions complemented our existing portfolio, paving the way for cross-selling opportunities and strengthening our order book. Going forward, we intend to introduce premium products and technologies, aiming to establish ourselves as a comprehensive solution provider for aesthetic products.

Our efforts are evident in the acquisition of significant orders across various product categories from both existing and new clients throughout the year. We are particularly excited about the potential of optical plastics and cover glass, which will gain significant traction in the medium term. Further, we are collaborating with OEMs to introduce innovative premium products such as IML, wheel caps and intricate IML and IMD parts for consumer companies.

As of 31st March 2024, SJS has built a comfortable cash and cash equivalent position of Rs 520 million with a net debt of Rs 163.5 million and a positive cash flow. Our free cash flow to EBITDA ratio stands at a healthy rate of 47.3%. Additionally, our return on capital employed and return on equity as of 31st March 2024 are robust at 20.4% and 15.2% respectively. In a significant development, our Board of Directors has recommended a final dividend of 20% on the face value for the first time since our initial public offerings as a reward to our long-term shareholders.

Today, I am further thrilled to share that during the year gone by, Joe, our Managing Director, has received a prestigious Lifetime Achievement Award from the Screen Printing Association of India and the Federation of European Screen Printers Associates. This award recognises Joe's exceptional contribution to the industry, marked by his visionary leadership and remarkable achievements. Congratulations to Joe on this very well-deserved honour.

I would like to express my sincere gratitude to our esteemed stakeholders for their unwavering trust and encouragement. With this, I would now like to hand over to Mr Joseph, our Managing Director and Promoter, to brief you all about our industry and business highlights. K. A. Joseph, MD and Promoter, please.

K. A. Joseph: Thank you, Mr Jain and good afternoon, shareholders. Starting with some highlights for FY24, it has been another year of exceptional performance at SJS. In FY24, our automotive segment achieved an impressive growth of 38.3% YoY, exceeding the industry's combined volume growth of 9.7% YoY. Our revenue from the two-wheeler segment increased by 21.1% YoY, surpassing the industry production volume growth of 10.3% YoY. The passenger vehicle production volumes grew by 6.9%, whereas our revenue went up by 62%. Additionally, our consumer business showcased stellar growth of almost 89.9% YoY. Our exports also grew by 51.1% YOY, led by a 49.3% and 47.2% increase in the automotive and consumer segment, respectively. Our automotive segment has secured many prominent customers, such as Autoliv, Toyota 16:45, MindaVast and KIA Corporation. In telecommunications, we have added Neolink, GDN Enterprises and Foxconn Technologies.

We have also received new orders from our esteemed entities like Tata Motors, TVS Motors, Bajaj Auto, Honda Motorcycle, Royal Enfield, Mahindra and Mahindra, Maruti Suzuki, Whirlpool, Skoda, Continental, Hyundai, Visteon, Gabrit, Stellantis and Ola, among the others, strengthening our business across various segments. Inorganic growth is pivotal to our strategy. The successful integration of the Exotech business has significantly enhanced SJS's overall performance with a 2.3x growth in revenues and improved EBITDA margins by about 440 basis points from FY21 to FY24. In FY23-24, Exotech's EBITDA margins increased to 16.6% following this seamless integration. As you are aware, SJS acquired a 90.1% stake in Walterpack on July 23, which was a subsidiary of Walterpack Spain. Walterpack India specializes in designing and developing high-value functional decorative parts for passenger vehicles and consumer appliances in India.

The shift from conventional injection moulding to IML-IMD signifies a notable trend in the aesthetic market. With IML-IMD parts emerging as one of the fastest-growing segments, automakers are increasingly adopting IML-IMD dashboards to impart a luxurious look and feel to their vehicles. This trend is particularly gaining momentum in high-end models across passenger and consumer segments.

The Walterpack acquisition strengthens our IML-IMD and 2K injection moulding capabilities, enabling us to develop innovative vehicle interior lighting IME solutions for future vehicles. Going forward, we plan to enhance kit value across our segments by adding premium products and technologies. Walterpack' s IML-IMD technologies combined with SJS's optical plastic cover glass are key to this strategy.

We prioritize sustainability alongside our growth, evident in our steady transition to green energy with renewable sources like solar and wind power in nearly all our bank load operations. Beyond our environmental efforts, we strive to build stronger

communities through initiatives focused on education, skill development, healthcare, sanitation, and rural development. We support 'Let's Feed the Needy', an NGO in Chennai, that feeds the underprivileged on a daily basis. Additionally, our garbage cleanup initiative has improved the lives of almost 14 villages near our Bangalore facility. We have empowered 200 underprivileged women through diverse projects, including tailoring, computer training, driving, and beauty courses. These initiatives have significantly improved their lifestyle and increased their employability, providing them with better opportunities and greater financial independence.

We are happy to inform the members of SJS that we have established the SJS Foundation through which we will channel future CSR projects towards long-term goals on a larger scale, helping those in need.

We are committed to advancing employee growth with regular training in soft and technical skills, nurturing a culture of continuous improvement and teamwork. Our performance-based incentives, like the Pay for Quality Scheme, help us retain talent and recognize excellence in performance. During the year, we conducted various health and safety training sessions, encompassing our hazard identification to risk management, all aimed at mitigating occupational accidents. SJS has been honoured with a Great Place to Work certificate for the fourth consecutive year, underscoring our success in building an inclusive work environment. As we leverage the synergies and cross-selling opportunities from our strategic acquisitions and product innovation, I remain enthused about SJS's exponential growth in the future.

I would like to thank all our employees, customers, business partners, shareholders, and stakeholders for their unstinted faith and support. We have the right team and strategy in place to set new benchmarks and continue to deliver sustainable growth. With this, I would like to hand over to Sanjay to discuss about our future outlook strategy.

Over to you, Mr. Sanjay.

Sanjay Thapar: Thank you, Joe. Dear shareholders, it gives me immense pleasure to address you once again as we reflect on the remarkable journey of SJS over the past year.

It has been an exceptional year for us, marked by significant achievements that have greatly propelled our growth trajectory. I am delighted to share that we have outperformed the industry benchmarks in FY23-24, showcasing our steadfast commitment to excellence and innovation. Our success can be attributed to our diversified product portfolio and strong customer relationships.

The marquee acquisition of Walter Pack India has also contributed to our industry-leading growth. Our exports grew by 51.1% year-on-year, reflecting the positive outcomes of our strategy amongst new business acquisitions and improved market conditions, taking its contribution to 7.7% of our total consolidated revenue. By deploying sales representatives in key markets such as Turkey, Brazil, Argentina,

Colombia, and more recently, South Korea, we are actively pursuing opportunities to further expand our global footprint.

Our goal is to diversify our customer base and build stronger relationships with overseas customers. What truly sets this year apart is the transformative acquisition of Water Pack India, which will enable us to scale unprecedented heights. This strategic acquisition has opened a plethora of opportunities, enabling us to diversify our presence in both the passenger vehicle and consumer appliance industries and expand our reach into new markets.

Water Pack India stands out as one of the leaders in advanced technologies such as in-mould decoration, in-mould forming, and IML, providing us with a distinctive edge. By incorporating these technologies into our product lineup, we can deliver cutting-edge solutions for vehicle interior lighting and IME applications in the automotive sector in the future. Expansion into high-tech moulded interior parts will mark a revolution as a mainstream supplier of automotive components to the passenger vehicle segment. With this acquisition, we've not only gained significant access to strong growth and high margin at a favourable valuation, but also achieved several key strategic objectives, including the addition of new emerging technologies, expansion of our customer base, enhancement of our manufacturing capabilities, and strengthening our management bandwidth. Mr. Roy Matthew, one of the founders of Water Pack India, will continue to lead Water Pack with a 9.9% stake, ensuring a smooth transition in the short term and maximizing revenue synergies in the medium term. His significant experience in tooling expertise will blend perfectly well with the SJS team's capabilities and competencies.

Now, I would like to hand over to Mahendra, our CFO, to brief you on our financial highlights. Over to you, Mahendra.

Mahendra Kumar Naredi: Thank you, Mr. Thapar. Good afternoon, everyone. Moving ahead, I am pleased to announce that we have achieved our FY24 guidance of 45% revenue growth and over 30% PAT growth, excluding amortization expenses. Our total revenue grew by 45% worldwide to Rs. 6,217 million, driven by both organic and inorganic initiatives, including new customer acquisition, product development, increased market share, and a focus on quality and delivery excellence. EBITDA stood at Rs. 1,599 million, reflecting growth of 36.9% worldwide, with a margin of 25.2%, driven by higher sales and operational efficiencies.

Profit after tax, excluding amortization, grew by 37.1%, to Rs. 921.7 million, with a margin of 14.7%, whereas reported PAT, including amortization, stood at Rs. 853.7 million.

Consistent delivery of robust margins has resulted in strong cash flow generation, with cash and cash equivalent reaching Rs. 520 million. As of 31st March 2024, our ROCE and ROE stood at a healthy rate of 20.4% and 15.2% respectively.

For the first time since our IPO, the Board of Directors has recommended a final dividend of 20% on the face value of Rs. 10 for FY 2023-2024. Thank you. Now handing over back to Mr. Thapar to take it further.

Sanjay Thapar: Thanks, Mahendra. Our steadfast focus on introducing premium products and technologies has consistently kept us ahead of the curve and expanded our addressable market. Furthermore, we are collaborating with OEMs to introduce innovative premium products such as in-mould labelled wheel caps, and complex IML and IMD parts for consumer companies. In the passenger vehicle segment, we intend to increase our kit value by 3-4 times from a legacy kit value of Rs. 1200-1500 per vehicle.

For two-wheelers, our objective is to augment the kit value by 1.5-2 times from the existing range of Rs. 300-500 per vehicle. In consumer appliances, we aim to elevate the kit value by 3-4 times from the current range of Rs. 50-150 per appliance. As we embark on this journey of expansion, our core values of integrity, innovation and customer satisfaction continue to steer us forward. Our strategic acquisitions and technological advancements will fortify our position and unlock new avenues for growth and prosperity.

We are working on our capacity expansion plans to ensure optimal returns and cater to the growth needs of both Exotech and Water Pack. We have chosen a more frugal approach instead of a specific capex allocation for the expansion of chrome plating capacity. This involves increasing capacity through de-bottlenecking and forging strategic partnerships with dedicated suppliers to create an ecosystem that augments our capacity.

Overall, we are optimistic and extremely confident about SJS's growth prospects. We remain focused on enhancing product aesthetics, expanding globally and maintaining a strong margin profile to solidify our market leadership. With a formidable array of products and a diversified customer base, we are poised to consistently outperform, growing 1.5 times faster than the underlying industry growth.

I extend my heartfelt appreciation to our customers, employees, business partners, shareholders and other stakeholders whose continued support and trust have been the bedrock of our success. With a strong foundation and clear strategic direction, we are poised to expand our horizons and unveil the next chapter of the SJS growth journey. Thank you all once again for your support.

I now request the chairman to continue with the proceedings of the meeting. Over to you, Jain Sir.

Ramesh C. Jain: Thank you, Sanjay. Now, I would like to go through the various resolutions.

Item 1: To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2024 together with the reports of the Board of Directors' and Auditor's thereon

Item 2: the notice declaration of dividend of Rs 2 that is 20 percent per ordinary equity share for the face value of Rs 10 per share for the year ended 31st March 24.

Item 3: The notice reappointment of Mr. Kevin K Joseph DIN 1009206689 who retires by rotation and being eligible offers himself for reappointment.

Item number four of the notice: Ratification of remuneration payable to cost auditors for the financial year 2024.

It is to be noted by all the shareholders that all the resolutions are ordinary resolutions. Now we will take questions from the shareholders. Shareholders who have already registered to speak will be allowed to speak and members are requested to keep their questions in brief. Members may also note that the company reserve the right to limit the number of members asking questions depending on the availability of time. Also, questions sent to the company by mail or chat facility will also be read and answered towards the end. If the shareholder is not able to join the video on any reason the shareholder can speak through the audio mode. If there are connectivity problems at speaker's end, then we would ask the next speaker to join in the interest of time. We would also like to request shareholders to kindly limit their speech to three minutes so that we can complete the meeting on time.

And I would request our moderator to allow shareholders to ask questions one by one.

Moderator: Thank you, sir. We have the first question from Mr. Prateek Giri. Mr. Prateek, kindly enable your video and you may ask your question now.

Prateek Giri: Sir, am I audible?

Moderator: Sir, you are audible.

Prateek Giri: A very warm greetings to respected chairman Mr. Jain, our MD, Mr. KA Joseph, our CEO, Mr. Thapar, distinguished board members and the management team of SJS Enterprises. This is Prateek Giri from Delhi. So firstly, a big congratulations to the entire team for a high-performing FY24 and successful Walter Pack India acquisition and assimilation into our business. I express my good wishes to the entire team for a better FY25.

I have three points for your consideration, Mr. Thapar. The first point I want to make is about growth. Mr. Thapar, now with a holistic product portfolio at SJS Enterprises, what North Star do you think we should be working with for the growth of the business? I understand we have alluded many times that we will be growing around 1.5 to 2 times faster than the industry, but I want a little longer-term view, three-four years or even

five-year view from you that from your vantage point, what top-line target is there for whom we are currently working for?

My second point is on the product portfolio. With the decal, chrome plating and IMD, IML is already in our product portfolio, already in our kitty. Is there any other interesting product category, high margin product category which is left for us to enter?

My third point is about the Indian premium OEM market. I just wanted to understand, are we already supplying to OEMs like BMW and Mercedes? If yes, then how do we see those accounts growing? If not, do we aspire to be a supplier to them? Thank you for letting us be a part of the AGM.

I would like to thank the secretarial department for a smooth onboarding and best wishes for FY25. Thank you.

Sanjay Thapar: Yeah, thank you, Prateek. So, answering your first question as to where do we see ourselves growing? So, as you've seen we've added, and increased our TAM Multifood by increasing the kit value that we have to offer to both two-wheelers and four-wheelers as well as consumer durable products. So, we will continue to outperform the market.

We are not giving or guiding the market to any top-line growth over the next four to five years. I think that is largely dependent on how the underlying industry performs. India has a growth story. We've grown very well and I see no reason why we will not grow or the country will not grow. The automotive industry coming off its lows is slated for good growth. So, I think we are in the right position and like to limit my answer to that, that we will outperform the underlying industry by a factor of 1.5x and we hope to be a very significant player, not just domestically, but we are working hard to open the export markets as well.

The second question that you asked was, sorry, could you just quickly guide me? Because there were three questions that you asked.

Ramesh C. Jain: The second question was on product portfolio

Sanjay Thapar: So, yeah, product portfolio, yes, we have all the conventional products that we said. We said that we are climbing up the value chain by offering more and more premium products, which is aided by the trend towards premiumization. So, all the new generation products that we talked of, whether it is lens mask assembly, or is it cover glass or IML, IMD products, these are all new generation products, which are very attractive to us in opening up doors. And we expect growth to come in a large measure from these, especially addressed to the four-wheeler segment. So, that's the second part.

Jain sir, if you can just again help me with the...

Ramesh C. Jain: The third one was the new customers like BMW, etc. How do we look at the growth?

Sanjay Thapar: Yeah, so the question was do we supply to these customers? So, you know, most of our products, either we are a tier one supplier or a tier two supplier. So, a lot of these global customers, like Ford, GM, and BMW, are customers of our tier-one supplier.

So, for example, the instrument cluster dial that we give, we supply to the global companies, which make instrument clusters. 07:22 These are global leaders in the market, they supply across different territories in the globe to these multiple OEMs and these customers, but in a tier two position, because the nature of the product we have is that we are a supplier of the dial that's fitted on a cluster, and that is what is used by these customers. So, any other point there was, Mr. Jain? Thank you for coming out.

Ramesh C. Jain: I think you have covered all the points, Sanjay. Thank you.

Sanjay Thapar: Okay, sir.

Thank you, Prateek.

Moderator: Thank you, Sir. We have our next speaker for the event, Mr. Jaydeep Bothra.

Mr. Jaydeep, I will enable your video and you may speak now.

Jaydeep Bothra: Am I audible, Sir?

Moderator: Sir, you are audible?

Jaydeep Bothra: Yeah. Good afternoon, sir. A very warm greetings to our respected chairman, Mr. Ramesh Chandra Jain, Sir, and our MD, Mr Joseph, and our CEO, Sanjay Thapar, Sir. Distinguished board members and the management team of SJS Enterprise Limited, myself, Jaydeep Bothra, attending this AGM from Delhi.

I would like to congratulate the entire team at SJS Enterprise for a stunning financial year 24 performance and wish you all the best for financial year 2025. Our respected CEO, Mr. Thapar, sir, please consider the following two points from my side.

First one on capacity: Given the growth in financial year 24, do you believe that we have enough vacant capacity to perform equally well in case the automotive industry shows robust growth during financial year 25? And the second one on global aspirations. Thapar, Sir, if you can elude your global aspiration, I would like to understand our product portfolio is quite holistic now, and I know you have guided the export top line to constitute 15% of overall business in financial year 25. But I would appreciate it more if you could give us a slightly longer-term view, say in the next four or five years, do you see that this export generate Rs 200 to 300 crore of revenue for us? Is there enough market globally for our line of products? And how is the global competitive scenario in our business?

I extend my thanks to the secretarial department for the smooth onboarding and wish SJS Enterprise the best for the coming years.

Moderator: Thank you, Sir.

Sanjay Thapar: Yeah, thank you for your question. So first coming to the capacity. Yes, we have adequate capacity currently available to achieve our targets for this year that we've set out for ourselves. The capacity we have at SJS is close to about 70% utilization. So there's a lot of headroom to grow. Even this new company Walter Pack that we acquired, they are also at about 70-75% capacity utilization. Again, a lot of room to grow. Exotech, we said that we've increased sales by 2.3x 10:36

Ramesh C. Jain: Hello, I can't hear anything. Others can?

Moderator: Sir, it seems some network connectivity issue is there at Sanjay sir's end.

Ramesh C. Jain: Maybe we can get back on this question after the third question. You can invite the third person and Sanjay can come back and answer.

Moderator: Sure, Sir. Thank you, sir.

Ramesh C. Jain: Mr. Bhothra, maybe you can hold on for a few minutes.

Sanjay will be back. There's a net connectivity issue. Okay, please.

Moderator: We have our third speaker for the event. Yeah, Mr. Chandra. Mr. Chandra, if you can enable your video and ask your question?

Chandra: Yes, good afternoon, sir. Myself, Chandra. First, I would like to thank you for giving me the opportunity to clarify my few doubts. My first question is, we heard that SJS is entering into glass business. Could you please let us know the status of that business and what is the contribution to SJS overall business share? And the second question is, in previous investor call, that is highlighted that Dixon customer is adding. So please let us know what product supplying to a Dixon customer.

Mahendra Kumar Naredi: Okay. Thanks, Chandra. By the time Mr. Thapar rejoins back, I'll give you an answer to your question.

So the first question about the glass business, you rightly said, we are aspiring to go into the cover glass business. We have a good engagement with the customer and currently all kinds of quality verification and production verifications are going on. We are hopeful that we will have orders from the customer in this current quarter and then we'll start getting this operationalized.

Probably we will see the turnover in FY 26. So, that was one of the questions. Second, if I talk about Dixon, Dixon is a very big assembler and working for a lot of brands.

There are a lot of opportunities or possibilities we have with Dixon. Currently, with the Dixons, we have two segments. One is the consumer appliances.

Second, the telecommunications business where our products, there is a good synergy between both of us and we are trying to first showcase these possibilities,

strengthen our relation and then grow. So, but you rightly said, Dixon is a very big opportunity. We can't put at this moment any number, but Dixon is growing and we have very good amount of synergy with Dixons.

Moderator: Thank you, Sir. Our next speaker for the event is Mr Ramesh Jadhav. Mr. Ramesh, kindly enable your video and you may ask your question now.

Mr. Ramesh, there seems to be some internet connectivity issue at Mr. Ramesh's end. So, we move on to our next speaker.

Our next speaker, Mr. Maruti Chandrakanth currently is not present in the panel with us.

So, we move on to our next speaker, Mr. Shreyas. Mr. Shreyas, kindly enable your video and you may ask your question now. Yes, Mr. Shreyas.

Mr. Shreyas: Can you hear me?

Moderator: We can hear you, Sir. Kindly ask your question.

Mr. Shreyas: Good afternoon, everybody. Thanks for this opportunity. I've got two questions in total. Let me ask the first one.

As you all are aware of the growing EV market, what is SJS's view on EV and how does it plan to acquire a new EV business market? And my second question is, I see that SJS has declared its first ever dividend. Will this continue in the coming years or it's going to have other plans like a new acquisition in the coming years? Thank you.

Mr. Shreyas: Thanks, Shreyas. Regarding the EV segment, your question. So, our products are agnostic for any kind of powertrain. We are as good as valid for IC as well as for EV. And in the EV segment, as there's a lot of 2-wheeler and 4-wheeler are growing traction, our products are usable in both kind of a powertrain. And we see that there would be higher interior or higher decorative aesthetics will be there into the EV. So, EV is currently at the evolving stage. But as it grows, it will also going to help the SJS to grow further. So, we are very hopeful about the EV. Currently, we are supplying almost all the EV OEMs in India, whether it's a 2-wheeler or the 4-wheeler.

And your next question was about the dividend.

Mahendra Kumar Naredi: So, the second question was about dividends. So, we always follow the policy that how to increase the wealth of our stakeholder. It is a balanced decision. We always try to do that, giving a dividend or reimposing this surplus money into the business. So, the board is competent, they are taking the decision. And like we informed this time, the board and the shareholder have decided to give the dividend first time after the listing. I hope this momentum will continue and the decision will be taken as per the benefit of the stakeholders. Coming back to your question on acquisitions. So, we recently did the acquisition. In the last three years, we have made two acquisitions, Exotech and Walter Pack. Both acquisitions went very well, a smooth integration we have done.

And SJS is generating good amount of cash flow. We have almost 50% kind of a free cash flow generation. So, there is a possibility to have an acquisition. But just for the sake of acquisition, we will not do it. We will see what is the best value and what is the right fit for the company. And we keep on evaluating. But we can't say any words about what is going to happen. But surely, when we have identified, we will come to the shareholder, we will take the placings.

Ramesh C. Jain: I just like to add to what you said, Mahendra, the point is that the product portfolio that we have built at SJS allows us to address the global market. Earlier, SJS was focused on two wheelers. Now, for the past four years, we have pivoted very dramatically towards four wheelers.

And there is a large four-wheeler market available outside India. So, we see as a company, we generate a lot of free cash. And the idea really was to repay the debt, a small debt that we took for the acquisition of Walter Pack, which we said that we will pay off and which we have actually paid off now.

And we are in the process of now accumulating cash for the next leg of acquisition. And that acquisition is going to be strategic because we find that our products are very cost-competitive globally. So, we will continue to look at opportunities.

And as and when we find the right target, we will then try and conclude that. So, it is a work in process at the moment.

Moderator: Thank you, sir. Now, we move on to our next speaker for the event, Mr. KT Gowda. Sir, you are in the panel. Can you enable your video and you may ask your question now?

KT Gowda: Am I audible?

Moderator: Yes, you are.

KT Gowda: Hello. Hello.

Moderator: Sir, you are audible. Kindly ask your question.

KT Gowda: Hello. Thank you, Sir. Sir, my question is about Exotech expansion. Can you please share more details about this expansion plans? Also, what is the planned capital expenditure for this expansion? And when this is going to be executed?

Sanjay Thapar: So, as we said, at Exotech, we have already increased sales by 2.3x. And we have a very strong outlook for the future orders from customers. So, we are actively in the mode of expansion. In the meantime, we acquired Walter Pack India, which is also in the same location as Exotech, which is at Ranjangaon. And both these companies have plastic injection moulding, which is common. So, strategically, we decided that rather than focus only on Exotech expansion, let us look at an expansion plan, which will cover the needs for growth for both Walter Pack and Exotech. So, as you may be aware, we've already acquired land in Ranjangaon, very close to these two plants. And we are now in the process of starting work on building or adding

capacity by building a new greenfield plant. So, that is what is going on. And we expect this to be completed during the course of the next 9 to 12 months. So, what we've guided the market earlier also is that from Q1 26 onwards, we should be able to start sales from that new location, which will add capacity. In the interim, we have already made sufficient arrangements with the supplier partners and bottlenecking or de-bottlenecking capacity to meet the requirements for the current year.

K. A Joseph: Mahendra, I think you can come in and give the answer, he was answering the CAPEX part, Mahendra if you can answer.

Mahendra Naredi: So, Mr. Gowda, regarding the CAPEX outlay...

Sanjay Thapar: Was I not audible?

Ramesh C. Jain: You are not audible, Sanjay.

Moderator: Now you are audible, Sir. You can speak.

Sanjay Thapar: So, what we've guided is close to about 80...

Ramesh C. Jain: Again, it is missing. Mahindra, you can answer that.

Mahendra Naredi: Yeah. So, Mr. Gowda, the CAPEX expenditure, we are contemplating around Rs 100 crore for this expansion out of which Rs 20 crore is the land, which we already have acquired in the last financial year. So, the remaining Rs 80 crore rupees we are now projecting to be happen in the current and the next financial year.

So, maybe this year around Rs 60-65 crore rupees and the balance will go to the next year.

Moderator: Chairman, Sir, with your permission, can we allow Mr Ramesh Yadav to just ask his question once again?

Ramesh C. Jain: Sure. Please go ahead, Mr Ramesh Yadav.

Ramesh Yadav: Hello.

Moderator: Sir, you are audible. Kindly ask your question. Yeah.

Ramesh Yadav: Thank you for the opportunity and congratulations on the good number, Sir. Sir, my question is, as last year you have acquired Walter Pack and this year any acquisition plan in pipeline and also as an investor, I would like to visit your plant and meet the management. Would you please let us know when we can arrange a meeting?

Mahendra Kumar Naredi: Yeah. Thank you, Mr. Yadav. So, last year we acquired Walter Pack and I clarified in earlier questions that yes, we are generating a good amount of cash flow. We are looking for some new acquisitions in India, out of India, both places. But that should be a right fit for the company and at a good valuation. We will not do any acquisition just for the sake of acquisition.

Mostly acquisition, I do not think so in FY25, but from a projection point of view, yes, FY26 can be considered for inorganic growth can be possible. Regarding your second question about visiting our plants. You are most welcome. I will suggest to connect our investor relation team.

We keep on doing this plant visit with other investors on time to time basis and surely they will inform you the next round of visit at the plant and you can join us and we will be happy to take your facilities. Thank you. Thank you, sir.

Moderator: With this, we come to an end with all the speaker shareholders queries. Now over to Chairman Sir. Thank you.

Ramesh C. Jain: So, we have answered all the queries raised by six of our respectable shareholders, Mr. Prateek, Mr. Bothra, Mr. Chandran, Mr. Jadhav, Mr. Gowda, and Mr. Shreyas. Thank you very much for asking some very pertinent and excellent questions regarding our growth, product portfolio, capacity, global aspirations, products, business growth, and of course, capital expansion around that. Thank you very much.

Now, shareholders can also write to us at compliance@sjssindia.com if they have any queries and they will be answered within seven days. Members may note that the e-voting facility will remain open for the next 30 minutes to enable those shareholders who had not cast their vote earlier and would like to cast their vote now. The Board of Directors has appointed Mr. Anand Deshpande as scrutineer for the AGM and the voting results would be within two working days.

The scrutineers report will be uploaded on the company's website and the website of Link Intime India Private Limited. Results will be intimated to stock exchanges. In closing, I express my heartfelt gratitude to each one of you, dear shareholders, the Board of Directors, everyone who is present here.

With this, the meeting comes to an end. The e-voting platform is open for 30 minutes from now. Thank you for your participation and support.