



MUNJAL AUTO

INDUSTRIES LIMITED

**TRANSCRIPT OF 37TH
ANNUAL GENERAL**

Day: Friday, September 16, 2022

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 37th 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 37th 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

Smt. Anju Munjal: I am Anju Munjal. I am joining this meeting from Gurugram. 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. I am joining this meeting from Gurugram. Thank you!

Mr. Sudhir Kumar Munjal: Shri 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. I am 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. I am 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 and Remuneration Committee and a Member of Stakeholder's Relationship Committee. Mr. Sanghvi, please ...

Shri Mahendra Sanghvi: I am Mahendra Sanghvi. I am joining this meeting from Vadodara. 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. I am 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. I am 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. I am 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. I am 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. Pritesh Amin from M/s. K. C. Mehta & Co. LLP, Chartered Accountants and Secretarial Auditors, Mr. Devesh A. Pathak, from M/s. Devesh Pathak & Associates, Company Secretaries are present at this meeting and joining this meeting from Vadodara.

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

Mr. Rakesh Johari: Yes Sir, Requisite Members including Authorized Representative is 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 37th 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: My namaskar once again, and I hope that all of you and your loved ones are keeping well and staying healthy!

It gives me great pleasure to greet you all at the 37th Annual General Meeting of Munjal Auto Industries Limited. It is the third year in a row that I miss the warmth of face-to-face interaction with you because of the Covid pandemic. I sincerely hope that our next annual general meeting will be in person where we can physically see each other.

Navigating a difficult environment and the unforeseeable circumstances during the more intense second wave of the pandemic, Munjal Auto proved its resilience with prudent leadership and the tremendous hard work of our colleagues through FY 2021-22.

During 2021-22, we like all other companies were seriously affected by the second wave of the Covid pandemic. Fortunately since then the Covid pandemic seems to have lost much of its virulence and the third wave did not disrupt our lives or business to any great extent. The need to take precaution continues including having booster shots of the vaccine. I earnestly hope that 2022-23 will be a healthy and productive year for all of us.

INDIAN ECONOMY AND BUSINESS ENVIRONMENT

As per National Statistical Office's Second Advanced Estimates, India's real GDP grew by 8.70% in FY 2021-22, bouncing back from a contraction in FY 2020-21. The growth can be attributed to the government's massive stimulus package and timely policy interventions, as well as the government's response to the pandemic with a rapid vaccination drive, increased capital expenditure, record high tax revenue and GST collections, and the RBI's accommodative monetary policies. When the third wave arrived in January 2022, the country was much better prepared compared to the previous waves. The pandemic has triggered certain structural changes within the economy, which may impact the viability and future prospects of businesses

INDIAN AUTOMOTIVE INDUSTRY

FY 2021-22 was another tough year for the Indian automobile industry. The industry, recovered from the historic lows of 2020-21, but continued to be affected during the year due to the 2nd & 3rd waves of COVID-19, shortage of semiconductors, supply chain uncertainties, high logistics cost, rising commodity prices and above all the lowering in demand post the festive season. The increase in global oil prices and commodities due to the Russia-Ukraine war is expected to have some impact on the demand in the automotive industry for some time. The Indian automobile industry worked hard to indigenise parts, control costs, invest in new technologies and expand exports to keep the value chain running. The government also launched several targeted initiatives, such as the PLI scheme and the expansion of the FAME scheme.

With the above background I shall proceed to briefly cover the highlights of FY 2021-22 and the steps being taken by your Company to stay stronger.

YOUR COMPANY'S PERFORMANCE AND OUTLOOK

During the year under review the two-wheeler industry faced multiple headwinds owing to weak demand and continuous challenges in the supply chain. The rural markets which account for over half the annual sales of motorcycles and scooters in India remained under economic stress. Higher material costs shortages of products and services and soaring fuel prices increased the cost of ownership further dampening consumer sentiment and their ability to buy.

During FY 2021-22, total income of the Company was Rs. 1,716 Crores as compared to Rs. 1,992 Crores in FY 2020-21, showing drop of about 13.86%.

Profit before tax and Profit after tax were Rs. 30.04 Crores and Rs. 20.81 Crores respectively during the current year as against Rs. 32.75 Crores and Rs. 21.03 Crores respectively in the previous year.

There is a lot of talk of electric vehicles in the market. Your company is following the developments very closely and is looking at diversification opportunities.

In the Financial year 2018-19, your Company took majority stake in Indutch Composite Technologies Ltd. The purpose of this acquisition was twofold, first, to diversify the risks in the present business. Second, to enter in an area of huge market potential. India is just starting to realize the benefits of the use of composites as a material and in the coming years, its use across sectors will increase. Today the company is the leader in the country for windmill blades and tools.

Indutch is led by a team of adequately qualified technocrats having expertise in various composite technologies. Windmill Blade manufacturing, Blade moulds and Tooling, blade internal components, Wind Turbine Nacelle and spinner cover, and blade raw material kitting. The Company is committed to achieve high growth in both top and bottom line.

Composites are an upcoming industry in the country. It has huge potential for value creation. It is a lighter and stronger material and will find many uses in times to come. Indutch is well positioned and well respected in this field.

In the past three years the company has grown three folds to touch a turnover of two hundred crore rupees. There is huge potential for growth in this business. I am sure in coming times it will give promising returns to your company.

During FY 2021-22, total income of the Subsidiary Company was Rs. 209 Crores as compared to Rs. 141 Crores in FY 2019-20, registering an increase of 32.56%.

Profit before tax and Profit after tax were Rs. 905.64 Lakhs and Rs. 723.67 Lakhs respectively during the current year as against Rs. 57.36 Lakhs and (-) Rs. 44.11 Lacs respectively in the previous year.

Besides this we are looking at other diversification opportunities. We will keep you informed.

DIVIDEND RECOMMENDATION

I am happy to inform that the Board of Directors of your company has recommended payment of dividend at Rs. 1/- i.e. 50% dividend per equity share on Face Value of Rs. 2/- each for the financial year 2021-22 for your approval.

ACCOUNTS & AUDIT REPORT

Annual accounts with comprehensive appended notes and schedules, quantitative information and analysis duly accredited by Auditors Report are adequate. Nonetheless, if any member present here needs some further input or is desirous of seeking a 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, 2022, are already with you and with your permission, I take them as read.

CORPORATE SOCIAL RESPOSIBILITY AND CORPORATE GOVERNANCE

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.

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

The CSR programme continues as approved by the Board. In line with the CSR Policy and in accordance with the Companies Act, the Company undertook various activities.

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 employees of your Company for contributing immensely. I would also like to thank and acknowledge the continued co-operation, trust and support of government of Gujarat, Uttarakhand, Haryana, Company's valued customers especially Hero MotoCorp Limited, suppliers, vendors, all employees, bankers and the stakeholders of 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. 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 2022-23.

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 "Seven 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, 2022 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 @ 50% i.e. Rs.1/- per share on equity shares for the financial year 2021-22, 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 Mrs. Anju Munjal, (DIN: 00007867) as a Director liable to retire by rotation. Her 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.

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

Mr. Sudhir Kumar Munjal: Let me move on to the other items of the agenda

Item no. 4 relates to re-appointment of M/s K.C. Mehta & Co. LLP, as Statutory Auditors of the Company for further term of 5 years and fix their remuneration.

It is proposed to be passed as an Ordinary Resolution.

Let me move on to the other item of the agenda

Since all the resolutions in respect of special resolutions from item no 5 to 7 have already been circulated, with your permission, I take them as read.

"Since I am interested in item no 5 to 7, request Mr. Vikram shah to conduct these business items.

(Mr. Sudhir Kumar Munjal, CMD would then hand over the mike to Mr. Vikram Shah)

SPECIAL BUSINESS: -

Mr. Vikram Shah:

Item no. 5 relates to the revision in remuneration of Mr. Sudhir Kumar Munjal, as a Managing Director as well as continuation of payment of remuneration 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.

Mr. Vikram Shah:

Item no. 6 relates to revision of remuneration to Mrs. Anju Munjal as whole time Director under the Companies Act, 2013 as well as continuation of payment of remuneration in accordance with 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.

Mr. Vikram Shah:

Item no. 7 relates to revision of remuneration to Mr. Anuj Munjal as a whole time Director under the Companies act, 2013 as well as continuation of payment of remuneration in accordance with 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 would hand over mike back to Mr. Sudhir Kumar Munjal CMD)

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

Mr. Rakesh Johari: Thank you, Sir. Good Morning to all the shareholders. 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 will have an opportunity to cast their votes after the meeting.

Your Company has appointed Devesh A Pathak of M/s. Devesh Pathak & Associates, Practicing Company Secretaries, as the Scrutinizer for remote e-voting conducted from **Tuesday, September 13, 2022 to Thursday, September 15, 2022**. 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 Wednesday, August 31, 2022**.

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. Those who have already e-voted will not be entitled to vote.

Those who have logged in to attend the meeting are only entitled to e-vote. E-voting is already open and would be allowed up to 15 minutes after the meeting.

Mr. Sudhir Kumar Munjal: With this the 37th 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.

X_____X_____X_____X_____X_____X_____X_____X_____X_____X_____