

Automotive Axles Limited
“40th Annual General Meeting call
transcript”5th August 2022
(3.00 PM- 3.45PM PM IST)

Corporate Participants:

Dr. B.N. Kalyani
Chairman

Mr. B.B. Hattarki
Director & Chairman of Audit Committee

Mr. B. C. Prabhakar
Independent Director & Chairman NRC, SRC, CSR and Risk Management Committee

Mr. Rakesh Kalra
Independent Director

Dr. Shalini Sarin
Independent Director

Mr. Nagaraja Sadashiva Murthy Gargeshwari
President & Wholetime Director

Dr. Muthukumar N.
President & COO of Meritor HVS India Ltd.

Mr. Ranganathan
Chief Financial Officer

Mr. Debadas Panda
Company Secretary

Mr. Pradip Agarwal
Representative- Statutory Auditors

Ms. Pracheta M
Scrutinizer & Secretarial Auditor

Mr. K. Harish
Representative from Integrated Registry Management Services (RTA)

Shareholders

Dr. B.N Kalyani (Chairman):

Good afternoon, ladies and gentlemen. This is Baba Kalyani, Chairman of the company. I am from my office in Bharat Forge, Pune. I have all the papers for the annual general meeting of automotive axles.

I would now request Mr. Debadas Panda to give a brief on the conduct of the AGM through conference and OAVM. Mr. Panda.

Debadas Panda (Company Secretary):

Good afternoon all shareholders, directors and all attendees to this 41st annual general meeting of Automotive Axles Limited.

I Debadas Panda, company secretary of Automotive Axles Limited. Welcome to you all to the 41st annual general meeting of the company.

As per the company's Act, 2013 and SEBI listing regulations, the company had provided remote e-voting facility to the members. Which shareholding are recorded as in cut off date of 29th July 2022 to enable them to cast their votes electronically. All the AGM agenda items between 2nd August 2022 9:00 AM to 4th August 2022 5:00 PM.

Facility of e-voting is also provided to Members present in the meeting and who have not yet cast their votes. Such members may please go to the voting page of the NSDL e-voting website and can now exercise their votes while at the same time watch the proceedings of the AGM.

Ms. Pracheta M., practicing company secretaries has been appointed as the Scrutinizer to scrutinize the vote cast at the meeting and through remote e-voting. The scrutinizer will submit a report in the prescribed manner to the chairman or his authorized representative within 24 hours of conclusion of the meeting.

Since the AGM has been conveyed through video conferencing and other audio-visual means and facility of e-voting has been provided. There will be no vote by show of hands or no proposing and seconding of resolutions.

Now I request our CFO Mr. Ranganathan to make few necessary announcements. Ranganathan sir please.

Mr. Ranganathan (Chief Financial Officer):

Thank you Debadas.

Very good afternoon, everyone. I am Ranganathan Chief Financial officer of the company attending this meeting from my office at Mysore.

For convenience of Members, I would like to brief on certain points regarding the participation by Members and speakers at this meeting.

Facility of participation by Members in this AGM through NSDL e-voting platform is provided on first come First serve basis. All members present at this meeting are by default, put on mute by the moderator to avoid any disturbance arising out of background noise or for some smooth and seamless conduct of this meeting.

Members may Please note that on receipt of requests from certain shareholders, company has registered them as speakers at this AGM.

Once the chairman and open the floor for questions and answers, the name of the registered Members will be announced one by one. Each speaker on his or her turn will be unmuted by the company's moderator. The concern speaker is therefore requested to click the audio video on button in in his or her system. If speakers are not able to activate the video mode, speakers can speak by audio mode. While speaking we request the speakers to use the earphone for undisturbed listening. Ensured that Wi-Fi/Internet is not connected to any other devices, no other applications are running and no and proper lighting and sound play is in place to have a good video and Audio experience. If there is any connectivity or Internet problem at speakers in the company, will allow the other registered speakers to ask the questions once the connectivity improve, the speaker Member will be reconnected to speak after other registered speaker members complete the turn.

All the registered speaker members are requested to mention his or her name, folio number and place from where they are joining.

All the questions from the register speakers should be precise and short relevant and should not be forward looking or personal.

The speaker members may Please note that in order to avoid repetition answers will be given by chairman or the authorized representative at the end after the receipt of all the questions from the members.

During the AGM If a member faces any technical issue, he or she may contact the helpline number mentioned in the notice of the AGM.

I take this opportunity to thank all the shareholders, directors, invitees for joining this meeting, your unconditional and confidence reposed on us.

Debadas Panda (Company Secretary):

I hereby declare that requisite quorum is present in this meeting, and now I request the Chairman to proceed for conducting the meeting. Over to you sir.

Dr. B.N Kalyani (Chairman):

Thank you, Mr. Panda.

Ladies and gentlemen, good afternoon.

I Baba Kalyani, chairman of the company participating in this annual general meeting from my office at Pune and Extend a warm welcome to all of you at this 41st annual general meeting. I pray that all your families and all your loved ones are keeping safe and staying healthy.

As the requisite quorum is present and the meeting is properly convened, I will now call the meeting to order.

Before proceeding further, I would like to request the directors to introduce themselves one by one. First Mr. B B Hattarki.

Mr. Hattarki

Good afternoon, everybody. I am Bhalchandra Hattarki, independent director and chairman of the Audit Committee of this company. And I am attending this meeting from my house at Kalyani Nagar, Pune. Thank you very much.

Dr. B.N Kalyani (Chairman):

Thank you, Mr. Hattarki. Second Mr. B C Prabhakar.

Mr. Prabhakar

I am B C Prabhakar, independent director of the company attending to this meeting from my office chambers at Bangalore and I receive all the details. Thank you.

Dr. B.N Kalyani (Chairman):

Thank you, Mr. Prabhakar. Third Dr. Shalini Sarin.

Dr. Shalini

Shalini Sarin here from New Delhi office. I am attending this meeting and nobody else has near me.

Dr. B.N Kalyani (Chairman):

Thank you Shalini. 4th Mr. Rakesh Kalra.

Mr. Rakesh

Good afternoon, everyone. I am Rakesh Kalra joining in from my house in Pune. Thank you.

Dr. B.N Kalyani (Chairman):

Five Mr. Nagaraja Murthy.

Mr. Murthy

Good afternoon, everyone. I am Nagaraja Gargeshwari. I am President and the whole time director of automotive axles. I am attending this from my office from Mysore. Thank you.

Dr. B.N Kalyani (Chairman):

Mr. Kenneth James Hogan is unable to attend the meeting due to his other business exigency.

We also have our statutory auditor, secretarial auditor, Chief Financial Officer and Company secretary participating in AGM through VC from their respective locations. I would like to thank all the directors, officials and members for joining this meeting.

Due to spread of COVID-19 and social distancing norms, we are conducting this meeting through video conferencing or other audio-visual means. It is in compliance with the directions issued by Ministry of Corporate Affairs and SEBI. Live streaming of this AGM is also webcasted through the NSDL website.

Since this AGM is being held in pursuant to the MCA Circular to VC without physical attendance of the members, the requirement of appointing proxies by the Members is not applicable.

Statutory registers as required under company's act, 2013 are open to the members for inspection. Members who want to inspect please register may kindly send their request. To email ID provided on the company website under the Investor Service Center.

Dear shareholders, my colleagues on the board and distinguished, ladies and gentlemen, I warmly welcome you to this 41st annual general meeting of Automotive Axles Limited. I trust you and your families are safe and healthy. Thank you for Joining us today.

It is truly commendable that your company has emerge stronger and made significant progress in every sense over the past year, despite a challenging environment. I hope you have already gone through the annual report for FY21-22, which also contains our Director Report and audited financial report.

Before I speak to you about your company's performance, strategic progress on the way ahead, I would like to briefly highlight the macroeconomic scenarios and trends shaping the auto component industry in mature company operates.

During the year the global economy witnessed a strong recovery fueled by pickup in demand, supported the stimulus and policy measures by major countries, increased economic activity and the back of widespread vaccinations across the globe. While the economy was still recovering from the COVID-19 pandemic, the Russia-Ukraine conflict, which began in late February 2022, disrupted the global supply chain and skyrocketed commodity prices. Impending the recovery momentum and altering the global outlook.

The Indian economy demonstrated strong resilience in the face of multiple COVID-19 waves with a GDP growth of 8.7% in 21-22, becoming world's fastest growing economy, however elevated inflation resulting from the ongoing geopolitical tensions remain one of the key concerns for the economy in the coming year.

Opportunities is in an evolving industry landscape, Road construction, mining and improved infrastructure spending by the federal and state governments. As the automobile industry gradually recovers after a period of stagnation, the auto component industry saw a revenue increase of about 15% driven by domestic OEM, parts replacement and a strong export volume.

Our total income grew by 64% to Rs.1495 crores in FY 21-22 from Rs.913 crores in FY 20-21, EBITDA increased by 91% to Rs. 139 crores from Rs.73 crores and PAT increased 222% to Rs.74 crores. Our ongoing efforts on process improvements, Cost reduction and revenue enhancements measures have contributed to the business growth and delivered a healthy profit.

In order to maintain our market leadership and growth momentum, we aligned our strategic priorities while focusing on long term growth. We will continue to focus on increasing revenue and profits by increasing market share, implementing cost cutting measures, driving operational excellence, strengthening our workforce and developing new products. We have always prioritized exceeding

customer expectations by creating high customer value by providing high quality products with improved performance.

Innovation has always played an important role in meeting changing customer requirements and expanding our customer base through new product development. We introduced India's largest axle for the 55-ton vehicles earlier this year, which has proven to be a success. We also introduced axles for the bus segment which was well received by our customers.

Complying with BS 6 norms, we launched several products during the year and all the models performed very well. Moving ahead, we will continue to focus on innovations for various commercial vehicles, including medium and heavy-duty commercial vehicles, light commercial rating and bus segments. We also want to make axles for electric vehicles and have begun discussions with a few customers about it.

We developed a sustainability road map with targeted initiatives under 6 pillars focusing on energy management, responsible use of material resources, sustainable manufacturing, digitalization and promoting social wellbeing while adhering to the highest standards of corporate governance.

As a responsible corporate citizen, we believe that community engagement is crucial for business sustainability. Continuing our efforts towards promoting health care, we donated another lab based on wheels to the government of Karnataka, facilitating Primary Health care services to needy people.

Despite the growing emphasis on technology and automation, people remain critical to our success and sustainability. Their tireless efforts and perseverance, enabled us to achieve a strong performance in the face of a difficult external environment.

We are grateful to have a highly experienced, skillful, and passionate team for whom we provide a welcoming, conducive and inclusive work environment. The safety and well-being remain our utmost priority. This culture of safety played a key role in implementing proactive measures and facilitating COVID-19 vaccines and booster doses for our employees and dependents.

Apart from this, we continuously engage with them through various initiatives, including functional training, Recognition programs, festivals and events celebrations to promote holistic growth and well-being of our people.

Well, I am happy for the past year's performance and developments, I recognize that we have a greater responsibility to build on this progress and reach new heights through effective execution of our strategy. We will ramp up production of various models and variants with focus on maximizing available resources and reducing cost measures such as Cost savings from power, technology adoption by improving productivity, streamlining business operations, etc. We will continue developing new products and evolving customer requirements while adhering to regulatory norms and ensuring highest quality standards.

Finally, on behalf of the Board and the leadership team, I would like to thank all our customers, business partners, government and employees for believing in our vision and our valued shareholders, I would like to thank you all for your trust in the company. As we embark on another exciting year, we hope to count on your continued support as we implement our strategy to make Automotive Axles an even more successful company in the years ahead.

Thank you very much.

Now I would like to open the floor of questions and answers to take up questions from Members who are already registered as speakers through the mail. Members may Please note that in order to avoid repetition, answers will be given at the end of the completion of queries by all speakers.

One by one, speakers will then be activated and unmuted by the company. Company secretary to announce the name of the speakers one by one.

Debadas Panda (Company Secretary):

Now I request Mr. Sunil Kothari.

Mr. Sunil Kothari

Thanks a lot Sir. Are you getting my voice? Yes. We can hear you.

Great, sir great. Really very very informative and very useful speech Dr. Baba Kalyani, Sir you are being a veteran of our Indian manufacturing sector, the way some days back I seen your video related to defense interview, I think India cannot have any better time more than next maybe 10-15 year and having this your veteran ability your leadership, your experience. What you feel about general macro view on manufacturing sector as a country from India and second my specific to this automotive axle. We are being a part of a very strong and technology driven company, having strong leadership by Mr. Mutthukumar, Mr. Nagaraj and we have very capable team. So, what type of exports opportunity we see making India as a sourcing base? We have technical capability, scale and Leadership of people like you who catered to the American market since long.

Very very interesting is Bharat Forge is having an EBITDA margin of 30% and Meritor Automotive Axle is yet in the range of 11-12%, so I would like to listen from you people when we should be reaching some respectable margin like mid-single digit, little higher double digit, I sorry 15-17% margin. So that is of first question. Second Sir, looking at the telco, they themselves are producing their axles, so which from other customer we can capture the market sale? That is what I would like to understand. Ashok Leyland being our major customer but any other customers we can capture and grow our markets sir.

One more question is there just 2 days back Cummins has declared that they have completed the acquisition of Meritor USA. So, what will be the benefits of this new parents coming in? Maybe over a period? But what type of synergy? What benefits it can give to us? and sir as per SEBI regulation what type of offer they supposed to give to by back shares from minority shareholders. Some clarity on this will be really helps me.

And sir my last question is this

Dr. B.N Kalyani (Chairman):

It is your seventy question, Mr. Kothari,

Mr. Sunil Kothari

Sorry. When I see you talking to like this, I thought let me take advantage of these.

So, this broadly, your thought process on automotive axles capability and its conversion to having better markets are globally and better margin. That is all. Wish you good luck and really commendable job. Thanks a lot Sir.

Dr. B.N Kalyani (Chairman): Thank you, thank you Mr. Kothari. Next.

Debadas Panda (Company Secretary): Now I request Mr. Dinesh Kotecha. You can post your questions.

Mr. Dinesh Kotecha

Yes, Sir,

Kalyani Ji namaskar.

So nice to see you Sir. So nice to see you and meet you. Actually, I was going to come for the Kalyani Steel AGM on first, but I was sick little bit so I could not come sir.

Any way our results, you know I was just going through the Balance sheet, and I would like to first of all thank Mr. Panda for sending me that physical copy sir.

Sir, Sir page number 1 and page number 7. Page number 1 in chart form and page number 7 in a table form shows everything fantastic, Sir, page 37 sorry.

So, everything fantastic except on page 37. Sir. One creditors ratio with turnover ratio should also be given. Along with the other ratio which we are given everything is improved Sir, Debtor Ratio, Inventory Ratio, interest coverage ratio, all the 9 ratios are improved, but one more ratio can be given that is the Creditors Turnover Ratio that will be more helpful to understand that better. The first page shows everything, and we are showing good bound back Sir.

Back to the average of 18-19 results If we average it out, we are at that point, Sir. So, we are an inflection point and now just now I I was just taking out a printout of the first quarter turn over first quarter results, which you have declared. I saw that you have made a turnover of 500 crores.

This quarter, first quarter we are normally have been having 17% over sales total sales and the last quarter we are having 37% of our total sales.

Sir just doing some back of the envelope calculations and you can say yes or no. I will be happy our turnover expected targeted this year should not be less than 2500 crores sir.

There is my rough calculation. I have made 2300 before but seeing your first quarter results I was revising that when you are speaking in listening to you and with a margin of nearly averaging out to 7 to 8%, we should reach a profit of nearly 165 to 175 crore sir, this should be our target for the current year sir.

And I am very happy on all parameters. Sir, I would like hope that all the 4 plan that we have got in 4 different states, Karnataka, Uttarakhand, Jharkhand and Tamil Nadu. All are making good positive contributions. None of them is of drag on the other plants and I would like you to give me details in the balance sheet Sir plant wise. What is the area? What is the total area? What is the area for the plant? What is the capital employed with the turnover, ROI, profit, number of workers working in each plant?

That will give a Big able to us to understand plant wise working also sir. Also, you can also publish Sir in the balance sheet Q1, Q2, Q3, Q4 results separately in a chart format, giving 4 to 5 parameters so that we understand how the company has over every quarter it was working.

Sir, one more thing is there on page 55, page 55, just 2 questions remain sir. Yes, you are given that what you can say all the promoters holding and all that thing is given. But Sir, I would like you to give me the list of top 10 individuals who have hold from that 13.6.

I am in the others sir and the and the resident public shareholding. So, from that if you can give me top 10 list of top 10 shareholders, I will be very happy. And coming to the balance sheet lastly, page 70-71 sir, our incremental ratio this year of course, last year was less, but this year I think we have worked for 12 months not 11 months. We are not we were not affected by April COVID 2. I hope that and if that was the case then our Incremental Ratio is 71.53%, sir fantastic. I hope you maintain that Sir. If you can maintain that Sir our price can or price which is hovering out right now at about what whatever is the price, it can be increased by one more zero Sir. I am happy about it and sir cash our dividend policy is very good. I appreciate the dividend policy also and other than that Sir, I have got no queries accepts sir when you can If you can keep a plant visit for any of your one plant, I will be very happy. Our CSR also is doing very good. And as all the companies under which under your umbrella are doing very good. Sir, all the companies.

So, thank you very much and wish you all the best. So, in spite of all these problems are in spite of problems and despite of all the problems that we have got, we are still able to come out winners. Sir, thank you very much and wish you all the best.

Dr. B.N Kalyani (Chairman): Thank you Mr. Kotecha. next.

Debadas Panda (Company Secretary): Now I request Mr. Rahul. Rahul Kumar Paliwal to ask your question.

Rahul Kumar Paliwal

Am I audible? Yes, Sir. Yes, yes, we can hear you Rahul little bit. OK thanks.

Thanks for the opportunity. First of all, congratulations. Increase the audio level little bit because your audible but not very clearly.

I see is it better now? Yeah, much better.

OK, OK so congratulations for good set of numbers. So couple of very quick questions first is Do you think that you know after may be a 3 year gap the traction is coming back in the business we are into a commercial vehicle and automotive and can it sustain for next 2-3 years and what are you taking the steps as you know to make it sustainable in terms of domestic and export opportunity?

Then in annual report you spoke about new product development and launches, so I'm curious if are we moving, trying to move away from, I mean trying to create another vertical away from the our expertise axle so from Promoter Group, are we parent group are we trying to take some more product line or capacity in terms of maybe brakes or suspension or something new which we we are planning to launch into India under the Automotive Axle brand?

And the last question is sir whatever key inputs from our customers, dealer, distributor in last 2-3 year which we caught and we implemented into our product or operations. Or you know processes this will help to understand the company in the better sense.

Again, all the best and you are doing the remarkable work. Thanks for the opportunity.

Dr. B.N Kalyani (Chairman): Thank you.

Debadas Panda (Company Secretary):

Sir all the questions we have received now we have to answer.

Dr. B.N Kalyani (Chairman):

OK, I will answer the questions first raised by Mr. Sunil Kothari. Yeah, he actually asked about 9 questions, but I will try to combine them into 3 groups.

First of all Mr. Kothari. Your general question was regarding Indian manufacturing and where is it headed and what do we see as the opportunities?

Let me just explain to you that you know we are now in our 75th year or India's independence. What we are celebrating on the 15th of August. I think in the last few years we have come multiple steps ahead in terms of our manufacturing industry. Many new opportunities are now open to us. And if you look at what is likely to happen in the next 25 years. You heard our Prime Minister talk often about 5 trillion-dollar economy before the end of this decade. And then you, you know you are also hearing about Amritkal, and you know 2047 which is going to be high. Let us say celebration of our 100th year of India's independence.

Now the programs are currently in place and when we see the manufacturing sector going in 2047 is something like this. If I look at the overall manufacturing sector that will become almost something like 20-22% of India GDP by that time. Right now, it is running at about 15-16%.

India GDP today is about 3 trillion dollars, and by 2047, the general impression in industry and business circles is that it will cross somewhere in the region of 30 trillion dollars. So we will be probably the second or the 3rd largest economy on this planet and you are looking at a 10X improvement in our in our economic activity and in the manufacturing sector since our percentage of manufacturing is going to go up by a couple of percentage points, the manufacturing sector in 25 years will be roughly about a 7 trillion dollars, from the current level of about 600-700 billion. So, we are looking 400 billion, so you are looking at something like a 15X growth in the manufacturing sector. I say huge growth that is going to come up and the growth will come in many sectors which we don't even see today. So, there is all kinds of things happening in the economy. Whether it is green hydrogen, whether it is renewable, whether it is you know power storage, whether it is electrification, I mean, all kinds of things, and things are happening at some very, very rapid pace. Infrastructure development is a trillion-dollar investment. There is going to be put in infrastructure development.

The entire defense sector, which was based on imports before the end of this decade, will become a very large exporting sector, so we will not import anything, but we export a lot of products. India will become a very, very big defense manufacturer of almost every product. So that is just what the general feeling is.

Coming to the automotive industry and the auto components industry. The auto component in automotive and auto components industry will grow almost by 20 times from what it is today. So today we make roughly about, let us say 3 million vehicles.

I think in terms of vehicles we make 30 million vehicles 10 times and the auto component industry, which is roughly about 100 billion dollars, will become somewhere in the region of 2 trillion dollars.

So, the opportunities are immense in this sector. But the opportunity also, I mean also, let us say. have inbuilt challenges in terms of what is happening on technology front? What is happening in relation to

climate change? What will happen? Once electrification starts in a big way, whether we have the ability to have all the raw materials that are required for this?, so there are multiple challenges that are there, but irrespective of the challenges with the kind of strong leadership that we have in this country, the country is going to move forward at a pretty rapid pace and most businesses today have set up some massive expansion plans, not necessarily with massive investments, but massive expansion plans in terms of changing their technology road map, their technology path ways and moving from an analog process to a largely digital oriented process and that the crunch for us for the manufacturing sector is going to be insecure in talent. If one thing that I am worried about going forward is, where is the talent going to come from? So, we have to focus very sharply on creating talent, and this talent also be a different kind of talent. You know a talent that is very knowledgeable about digital processes, knowledgeable about IOT systems, knowledgeable about automation, control systems etc. So, this is you know, to give you a broader perspective. We are very optimistic about the manufacturing sector. India is moving to be a best in class and best in cost sector for many industries, not for every industry but we have our own niche and one of the industries where I think India is best in class and best in cost is the automotive components sector. But the automatic component sector is also changing rapidly in terms of technology. With electrification we are going to have completely new kinds of components. Electric drives all kinds of things coming, but I think as a country we will also move pretty rapidly in that direction. That is, to give you a general feel of what is likely to happen in the manufacturing sector. I hope it gives you some of the answers that you have been looking for.

Coming to automotive axles yes, we need to improve, we need to grow, we need to improve our margins. We had a long discussion today in the board meeting on this. We have a strategic plan to grow and to create a better margin capability in our business. The areas that we would like to grow is we have a huge opportunity in off highway equipment construction equipment. Well, we are not doing. We are doing hardly anything out there right now. We are still largely focus on their trucks and buses, so we need to move in that direction. We need to move in the direction of electric axles. We need to move. There is a lot of opportunity in the area of defense vehicles because a lot of these things that were being imported are going to be made in India today.

So, there's huge opportunities that are going to come in that direction and I am sure Muthu, and his team will look at these opportunities and create a road map to try growth there.

We now have a new parent in our company Cummins who has taken over Meritor business. Cummins is a very successful company. A very capable company has a large footprint in India.

A large footprint around the world, and I am sure that will be a great positive to automotive axles in terms of taking the company for.

So, these are some of the answers for Mr. Kothari questions. If I have left out some questions, I think our team in Mysore will answer that.

Mr. Kotecha. You asked about some specific questions from the balance sheet pages.

You talk about the the ratios variation, which is missing. I am sure Mr. Ranganathan you can take care of that going forward.

And you also made some arithmetic quick arithmetic in terms of what we are likely to achieve. I mean, I do not want to give, forward looking statements at this meeting, but all I can tell you is that we are looking

for growth. We are looking to grow the business. We have a growth strategy in place for the next 4-5 years. We have to be a little careful because you know the vehicle market, especially the commercial vehicle market has a very close relationship with the GDP of the country. So, if the GDP of the country keeps growing at a high rate, you will see demand for vehicles also growing at high rate. If you get a few speed bumps with the, you know all the geopolitical issues going on around the globe. The big inflation kicks that we are getting in terms of costs of energy in terms of costs of metals in terms of cost of commodities that is, dampen, in the system. But let us say so far things look good and I hope are going forward you know they will only improve.

Coming to Rahul.

You asked I think the question that Mr. Rahul asked Muthu would you like to answer that?

Mr. Muthu

Yes chairman. He asked about other than Ashok Leyland, I will answer to that.

Mr. Ranganathan (Chief Financial Officer):

Just one point on Kotecha has asked about the creditors turnover ratio that has been there in the annual statement page number 115. You can refer it. You can see that yourself.

Dr. B.N Kalyani (Chairman)

I, I mean I will answer Mr. Rahul's question also. He talked about whether traction is coming back to the business. Yes, traction is coming back. You can see if you look at the numbers of commercial vehicles being produced and sold in the country. I think this year also we would expect to see 25 odd percent higher than last year, and we still have not reached the Big Magic figure of 18-19, which was over 400,000 vehicles. But I am hoping that next year even that will happen. So, traction is coming back to the business and what are your second question?

Mr. Ranganathan (Chief Financial Officer):

New Product Development

Dr. B.N Kalyani (Chairman)

I talked about the new products and new products largely are going to be in the area of off highway construction equipment. Of course, in in the existing CV business, I think we have demonstrated over the last 15-20 years that every few years we bring our Products which have a higher efficiency, higher cost efficiency, higher operating efficiency, and that is how we have been able to sustain and grow our market shares.

And I think that will continue to happen. And of course, with Cummins also the new parent in our partners or system. I think we look forward to a much better future here for our company.

So that is all the answers I have. If I have missed out something you can please send a mail to our spokes. The mail id is there on the website, and they will answer anything else that is left out.

Since notice convening the 41st annual general meeting was already circulated. I request the Members present to take the notice of the AGM together with the financial statements and Board's Report as read.

I hope that is OK with the Members. The company has taken requisite steps to provide facilities to enable Members to participate in vote electronically on all 4 agenda items of the notice of this AGM.

Members who have not voted earlier through remote e-voting, can cast their vote during the course of the meeting through NSDL e-voting facility.

The auditor's report on the financial statements of the company for the year ended 31st March 2022 and the secretarial audit report doesn't have any qualifications, observation, or comments on financial statements which have any adverse effects on the functioning of the company. Accordingly, as per section 145 of the company's Act, 2013 with the concurrence of the members the Auditors Report to be taken as read.

We now take up the agenda items as set forth in the notice, namely

Item number 1.

Adoption of the audited financial statements of the company for the financial year ended 31st March 2022, including the audited balance sheet as of 31st March 22 and statements of profit and loss for the year ended on that date and reports of the Board of Director's and the auditor's there are.

Item number 2.

Declaration of final dividend of ₹15 per equity share of ₹10 each for the financial year 21-22.

Item number 3.

To appoint a director in my place who retire by rotation, being eligible offers myself for reappointment.

Item number 4.

Appointment of statutory auditors. Mr. S R Batliboy & Associates LLP.

I will now authorize Mr. Panda, company secretary to conduct voting procedure and conclude the meeting.

E-voting facility will be open on NSDL's site for the next 15 minutes to enable those members who have not casted their votes and would like to cast their votes at this AGM.

Results of the votes would be announced to the Stock Exchange at the earliest, and the same would also be available on the website of the company and NSDL.

With your consent, I and other board members would like to leave the meeting and wish all stakeholders a safe and healthy future.

Thank you very much.
