

**TRANSCRIPT OF THE ANNUAL GENERAL MEETING OF JAYA HIND INDUSTRIES PRIVATE LIMITED
SCHEDULED ON 29TH SEPTEMBER, 2021 AT 4.00 P.M.**

Company Secretary (Ms. Amruta Patil)

Good afternoon everyone. I, Company Secretary of the Company, welcome you all to the 75th Annual General Meeting from Registered office of the Company, which is being held through video conferencing.

Before I handover the proceedings to the Chairman, to declare the meeting open, I would like to highlight certain points over here. The Members are requested to keep their videos on and mic on mute mode throughout the meeting. The members will be given an opportunity to ask queries, if any. In such case you are requested to unmute yourself. Please mention your name, folio no and the location from where you are joining. Voting on the resolutions will be done by show of hands. Any member dissenting to any resolution is requested to identify himself or herself by stating your name and by raising the hand. I hereby confirm that the valid quorum is present and the meeting can be called to order. I now handover the proceedings to the Chairman. Thank you.

Chairman (Mr. Abhaykumar Firodia)

Thank you. Good afternoon to you all. As the quorum is present I call this meeting to order. I am Abhay Firodia, Chairman of the Company, and welcome you to the 75th Annual General Meeting. I am attending this meeting from my residence located in Pune. I want to take the opportunity to introduce our directors present in the meeting; Mr. Prasan Firodia – Managing Director, Ms. Shribala Chordia and Mrs. Indira Firodia. I also see Mr. Pradeep Munot, Independent Director, welcome sir, Mr. Mohindar Singh Bhogal, Whole Time Director. Bhogal is there. We also have apart from this our statutory auditors M/s. Kirtane and Pandit, their representative is present. Also our Secretarial Auditor, Mr. I U Thakur who has also joined this meeting.

I do hope that the arrangement made by the Company to facilitate the participation by members on soft basis is working to your advantage and that you are able to join. Before we go to the formal task of passing the concerned resolutions I have to request the Managing Director to say a few words about the operations of the Company during the past year.

You are on mute....

Managing Director (Mr. Prasan Firodia)

Good afternoon everyone, in the last board meeting I had made a small presentation which probably some of you do remember which had shown the status of the year that we had reviewed in the last meeting so to recap on that basically in the year if I compare the two years which 19-20 vs 20-21 our revenues came down from about 425 crores to about 379 crores this is predominantly due to the lockdown effect and the covid infused situation of economy last year which resulted in the operations making a loss purely from a manufacturing perspective

because we had multiple months of lockdown and then it took a long long time for the economy to revive plus post the lockdown we faced multiple challenges in terms of the ramp up of the production where we lost a lot of people who had gone back to their villages and ramping up became a big challenge. Situation still continues to be quite you know challenging so to say right now, while the last 2 months were looking much better coming out of the year before however right now we are again faced with you know significant slowdown which is predominantly happening more from the volumes which have been dropped by OEMs owing to the reduction in the production numbers coming due to the shortages on the supply of chips and microprocessors due to which our utilization levels have again gone down and this month and probably next month we will be back at anywhere between 45 to 55 percent capacity utilization, whereas two months back the situation was much better we had started to you know come to about a breakeven point on a monthly basis but clearly this month and the next month looks tough again, and unfortunately the situation with the chips due to which the schedules have reduced does not seem to coming under control anywhere for atleast a year and a year and a half, so this year will continue to remain challenging for the business. However, if I look at the business in the year 2018-19 we were already at 826 crore rupees which means by the current year given our growth rate that we were hitting we should have been atleast a 1000 crore plus company by now. Unfortunately, in the year 2019-20 we were faced with the slowdown in the commercial vehicles segment which affected us significantly because we have a large exposure to the CV side and then ofcourse 20-21 has been an extremely challenging year caused due to covid. So the two last years under review significantly derailed our growth otherwise this year we would have been sitting at anywhere close to a 1000 crore plus revenue.

The good thing in the last two years is that our Chennai plant which is a brand new facility has gone fully into production. We have now 9 large new machines there. We have got a lot of new business at our Chennai plant. Chennai plant was hitting closed to about 85% capacity utilization till about two months ago, but now again both Renault - Nissan and Hyundai, Daimler, all of them have dropped schedules which has again resulted into Chennai plant coming down to about 50% capacity utilization, otherwise the Chennai plant did a growth of almost from a say 33 crores to about 65 crores revenue in a period of 2 years, so there has been a good growth at Chennai. I had mentioned earlier we have got a very good order book which is already received, signed development has happened. Big orders we have for example we have business worth about 90 crore rupees with Peugeot Citroen (PSA)...for the C3 and the C5 vehicles which they are planning to build in India. Unfortunately the SOP was scheduled for September this year which is this month, however due to covid the SOP is now scheduled for January next year. So about a 100 crore business which could have started got delayed. Similarly, a few of the new programmes with the Volkswagen, we have again a 100 crore business which we have got from Volkswagen which should have also gone into production but due to covid the SOPs have got delayed. So several new orders I only mentioned the big orders that we have got.

On the export side the business is doing pretty well. This year we are hopeful of crossing 100 crores in terms of exports, which has done pretty well. Exports also is reasonably profitable business for us. So exports is something which we are very strongly focussing on. However, recently all of you must have heard about the decision by Ford India to leave the country which

means Ford India for us today is almost a 200 crore customer so in short we will end up losing that business because Ford will stop producing vehicles in India. We are now looking at an opportunity of exporting some parts of Ford to international markets whereby we may be able to get about 50 crores revenue but clearly 150 crore revenue loss will happen due to the exit of Ford from the Indian market.

Otherwise situation still continues to be quite unclear in terms of how the numbers will shape up over the next 6-8 months or for the remaining period of the year all depends on you know the chip shortages and also if we are going to be hit by the 3rd wave and what is going to be the impact of the 3rd wave. Otherwise it is going to be the situation where it is the focus is going to be on survival and nothing more than survival. We have started some action now on reducing manpower at JHI. This month already we have reduced about 65 white collar employees ofcourse the casuals and the temporary employees have been reduced already which is more linked to production but given the slowdown and the expected slowdown we have started reducing the manpower on the white collar side as well.

In terms of quality, generally the quality output is pretty good. Chennai plant is doing an extremely remarkable performance in terms of quality. Urse has a lot of complex parts, Urse has variety of parts with you know varied variety in terms of the volumes that we produce, so there its a bit tricky but we are still at about may be around 10 percent in total rejection between customers, in house and machine shop. Gravity Die casting business also has slowed down because there our biggest customers is Mahindra followed by Ford and then we also have Fiat. While Fiat has grown significantly for us on the cylinder head business, Mahindra has reduced because Mahindra as you know this month they already had a nine day shut down so which directly impacts our output if Mahindra shuts, because Mahindra is also about a 200 crore customer for us or a little lower 200 crores. But generally GDC plant is okay. Gravity Die casting we have started new process which is low pressure die casting where we are producing now critical turbo chargers for turbo energy which will go again to Mahindra. We are now planning to ramp up about 40,000 turbo charges a month which will happen by end of November within the next two months. Chennai plant as I mentioned earlier is doing well. Chennai plant gets fully populated in terms of the die casting machines. Our new machine shop at Urse which is our Volkswagen machine shop is now populated. So we are waiting for SOP to happen, just yesterday we had large audit by Volkswagen. We have done our first lot of 300 engine blocks and these are critical parts which will you know power all the Volkswagen and Skoda platforms in India so that is progressing well. Quality systems we have complied with all the latest standards given the fact that we are now supplying to customers like Renault-Nissan, Hyundai, Volkswagen, Peugeot Citroen, Ford, Suzuki, Daimler. We also got export business now to Volvo Sweden. So complying to all these international OEM standards puts a lot of pressure in terms of the quality systems and every customer has its own format. It's not that you know they all follow a standardized procedure in terms of PPAP or part qualification so puts in a lot of pressure and lot of challenges and as you produce critical parts two things come into play one is the time or the gestation period for a new part order to delivery so for example the Volkswagen business that we have today we got the orders about 3 years back and only now we will go into production. Similarly for the PSA programmes so these are all capital intensive programmes and

we always invested a lot in buying the right equipment or not just the right but buying the best equipment but the gestation period is pretty long.

So to sum in general business is still under pressure. Business probably will continue to remain under pressure for the current year, very difficult to say whether we will hit capacity utilization of even close to 65 percent at a steady state so which means in terms of profitability we will be under pressure. Top line we are targeting this year to hit atleast a 600 crore top line as I had mentioned earlier, by now we should have crossed a 1000 crore turnover but due to the last 2 years which is covid and pre-covid slowdown of the commercial vehicle industry has derailed us significantly.

In terms of employee health and safety, generally all our employees are fully vaccinated. In terms of accidents we are putting in a lot of effort and focus on ensuring proper health and safety, proper PPE, especially the minute you start working with customers like Volkswagen and Volvo, Renault and Nissan their expectations right from the shopfloor bathroom to the quality of the mask that you wear, to the quality of the hand gloves, to the quality of the safety shoe, everything is audited by them. Not just that they force us to do audits with our workers they will talk to our technicians, they will want to know the quality of the food we are giving, so while it sounds you know very nice to have you know more of people involvement. The minute you have lot more people involvement and then you start involving about 2000 people, you can understand the chaos it also creates.

So thats it from my side, just a general recap on where we stand. To sum up again, hopefully we should be able to target a 600 crore revenue this year. In terms of profitability will not be anything exciting. The objective will be predominantly to atleast try and break even this year, so that we don't lose a lot of money so thank you and over to the Chairman please.

Chairman (Mr. Abhaykumar Firodia)

Very good and thank you for this very nice round up of the information. People are aware now with the kind of situation we are in. Now I have to put the resolution to vote and the first resolution is regarding the financials of the Company. I will read this first resolution.

“RESOLVED THAT the audited standalone and consolidated financial statements of the Company, for the Financial Year ended 31st March 2021, together with the Board’s Report and Auditors’ Report thereon be and are hereby approved and adopted.”

Any queries from any member on financial report or on any observation. If there is no response then I would propose the resolution for, I would say we should vote for the resolution. Those in favour should raise their hand.

Managing Director (Mr. Prasan Firodia)

I second the resolution.

Chairman (Mr. Abhaykumar Firodia)

Thank you. Thank you. We will go to the next resolution. Now I think Amruta you can read out the other resolutions.

Company Secretary (Ms. Amruta Patil)

Yes sir. Special Business Resolution No. 2 – Appointment of Cost accountants with remuneration.

“RESOLVED THAT M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, who are appointed by the Board of Directors of the Company, to verify and review the cost records of the Company for the Financial Year ending 31st March 2022, be paid remuneration of ₹1,35,000 (Rupees One Lakh Thirty Five Thousand only) plus travelling and out of pocket expenses and taxes, if any.”

Chairman (Mr. Abhaykumar Firodia)

Those in favour.. those against...

Member (Mrs. Shribala Chordia)

I second the resolution.

Chairman (Mr. Abhaykumar Firodia)

You seconded or you opposed.

Member (Mrs. Shribala Chordia)

I second the resolution.

Chairman (Mr. Abhaykumar Firodia)

Okay alright. So resolution no. 3

Company Secretary (Ms. Amruta Patil)

Yes sir. Special Business Resolution No. 3 – Re-Appointment of Mr. Mohindar Singh Bhogal as a whole time director.

“RESOLVED that in accordance with the provisions of Section 196, 197, and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 approval of the Company be and is hereby accorded to the re-appointment of Mr. Mohindar Singh Bhogal as an Executive Director of the Company for a period of three years w.e.f. 7th October 2021.

RESOLVED FURTHER that the remuneration as detailed below be paid to Mr. Mohindar Singh Bhogal as an Executive Director:

Remuneration:

(i) The Executive Director shall be paid a remuneration of ₹ 3,50,000/- per month for his tenure appointment;

(ii) Perquisites:

In addition to above remuneration, the Executive Director shall be given the following perquisites for the entire term:

- a) Provision of car for use of Company's business and for personal purpose.
- b) Free Telephone facility at residence.
- c) Personal Accident and Medical Insurance Policies for an amount, the annual premium for which shall not exceed ₹ 15,000/- (Rupees Fifteen Thousand only).

RESOLVED FURTHER that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Chairman (Mr. Abhaykumar Firodia)

Prasan you want to second the resolution.

Managing Director (Mr. Prasan Firodia)

Yes. I second the resolution.

Chairman (Mr. Abhaykumar Firodia)

Okay I put the resolution to vote. Raise hands. I declare the resolution passed as unanimously. There being no other business to transact, I have to declare that the meeting has completed its scheduled business and we can close the meeting at 21 minutes past 4o'clock.
