

**FORCE MOTORS LIMITED**

**CIN: L34102PN1958PLC011172**

**TRANSCRIPT OF THE PROCEEDINGS FOR THE 64<sup>TH</sup> AGM HELD THROUGH VIDEO  
CONFERENCING**

on Thursday, the 28<sup>th</sup> day of September 2023 at 3.00 p.m.

<b>Company Secretary</b>	<p>Good Afternoon, Shareholders.</p> <p>I am Nikhil Deshpande, Company Secretary and Compliance Officer of the Company. I am pleased to welcome you to the 64th Annual General Meeting of Force Motors Limited, being held through Video Conferencing.</p> <p>Members may note that this Annual General Meeting is being held through Video Conferencing, in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India with an arrangement with National Securities Depository Limited. I would like to spare few minutes to explain about the procedural and technical aspects of it.</p> <p>Facility for joining this AGM on the NSDL platform is made available for 1,000 members on a first-come-first-served basis. The instructions for joining the AGM and for e-voting are mentioned in detail in the AGM Notice.</p> <p>All the Members who have joined the AGM are by default, kept on mute, by the host, to avoid any disturbance of background noise and to ensure smooth conduct of the AGM. During the AGM, if a Member faces any technical issue, he may contact on toll free nos. 022-48867000 and 022-24997000.</p> <p>The Members attending the AGM through Video Conferencing will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.</p> <p>As mentioned in the AGM Notice, the Members desirous of obtaining any information concerning the accounts or operations of the Company were requested to address their queries to the Company at the specified email ID <a href="mailto:compliance-officer@forcemotors.com">compliance-officer@forcemotors.com</a>. Such e-mails were shared to the Chairman and the Chairman as well as Managing Director will be replying them in their speech.</p> <p>Further, the members who have registered as speakers for the AGM will be allowed to express their views or ask their questions. We will facilitate this session once the Chairman / Managing Director opens the floor for questions and answers. The Company reserves the right to limit the number of speakers depending on availability of time.</p> <p>All the documents referred to in the Notice and Statement thereto are open for inspection through electronic mode on the website of the Company till the end of AGM. Similarly, the Register of Directors and Key Managerial Personnel, the Register of Contracts and Arrangements are also made available on the website of the Company for inspection.</p> <p>The Registered Office of the Company situated at Mumbai – Pune Road, Akurdi, Pune – 411035, Maharashtra, shall be a deemed venue for this AGM and the proceedings of the AGM shall be deemed to be made here at.</p> <p>Now, I request the Chairman to take forward the proceedings of the AGM.</p> <p>Thank you sir. Over to you.</p>
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**Chairman**

Thank you, Nikhil.

I have pleasure in welcoming members to the 64th Annual General Meeting of your Company. There is good news on the table about the Company. The Post-covid recovery during the accounting year we are discussing about has been a smart recovery. And today, as we look at the economic situation of the country and of the Company, we see that stability and excitement in the market is there. And that's a good sign; we can look forward to better business times.

The performance of the Company during the last year has significantly improved. There has been excellent growth. But we have to remember that this excellent growth was on a small base figure. We do believe that with the stability that is there, reasonable growth will continue. During the lean period of 2 years where the Company saw a very weak market, extraordinarily weak market. The opportunity was taken by the Company's young management to ensure that all our plants are upgraded and brought to international standards, that products are significantly upgraded and made future ready. So that is something to be very satisfied about. The technical upgrade all round strengthens us significantly.

We look forward to both an exciting and a challenging future. Exciting because, the economic stability of India and the rapid development in the Indian Economy is very heartening, very encouraging and we have to rise to the occasion to meet these challenges. Among the challenges in this exciting and challenging time, it is not just growth; it is not just managing to keep your market share stable, an attempt to grow but challenges also include several technical challenges of a kind not faced before. For instance, the whole world stands on the cusp of a major change in the technology environment. Our country is no exception. And our Company will also have to grapple with these challenges.

Over the last decade we have seen, how we had to scramble, we have to make efforts to cope up with emission norms and the multiplicity of fuel aspects. These are not small challenges. They appear now with 10 year hindsight as having been accomplished. But let us not forget that these challenges have been major challenges. Today, we see before us even greater challenges. There is a strong movement around the world on Electric Vehicles. Mainly today Electric Vehicles are popular as Personal Transport, Commuter Vehicles first and also City Buses. But, as the electric let's say, environment, Electric Vehicle environment matures; there will be requirement for our kinds of vehicles also to be taken to the EV Category.

There are still fuel challenges before us. Diesel is not dead. Diesel will not die tomorrow. More time passes, more the people are saying and I believe they are knowledgeable people, experts, economists that the transit from fossil fuels to electric fuel is not going to happen simply. It will take time, and therefore, Diesel as a fuel of choice for the vehicles of Commercial Vehicle type is going to be there for a long time. Simultaneously, there is now a horizon opening up on Hydrogen Vehicles. All of these are challenges which our Company will have to look forward to. And I am very happy to say that the Company's Management is looking at all these points in a systematic, organized manner.

After the stress of Covid, the Company has been reorganized. There is a strong young Management Team which is taking all the necessary steps to ensure that our operations are brought to a level of excellence which should be the envy of other people. And I am happy to say that with the tech upgrade, we are looking to being future ready and we are looking to grapple with the exciting and challenging times ahead.

I would like to introduce at this stage, the Board of Directors of our company. Please welcome, Mr. Vallabh Bhanshali, whom you all have heard of know. He is one of the wizards of the modern economic corporate world, and we are very happy and thankful that he is on our Board giving us excellent advice.

	<p>I'm happy to introduce Mr. Mukesh Patel, Country's foremost expert on Income Taxes and his advice is always very sound and very beneficial.</p> <p>We have Gen. Shekatkar and General Shekatkar has been one of the celebrated and very senior generals in the Indian Army and he brings an insight into the defence aspect which as a measure the Company would like to focus on going forward.</p> <p>Let me introduce Ms. Sonia Prashar. Sonia Prashar is a very well-known international personality. She has been Deputy Director of the Indo-German Chamber of Commerce and she brings great insight into International Commerce and aspects of business in India to the Board.</p> <p>Finally. the Managing Director of the Company, Mr. Prasan Firodia. Prasan has now virtually taken over the entire operations of the Company. Over the last several years he has made a dramatic and very strong contribution to lead his team to bring about the changes that I just mentioned to you. I'm sure, going forward; the young team he is building is going to deliver results.</p> <p>So with that, let me say formally, I have to acknowledge that there is a sufficient quorum, and the formal proceedings of the Meeting can now start. I now, therefore, have to say the meeting should be brought to order. I would now request the Managing Director to give us his speech about the actual granular status of the business of the figures and the data, and to give us his opinion and view of where we as a Company stand.</p> <p>So over to you, Prasan.</p>
<p><b>Managing Director</b></p>	<p>Good afternoon, everyone. And thank you, respected Chairman.</p> <p>I would like to take the opportunity to give a quick recap of the last 3 years. Especially because the last 3 years have been quite challenging. At the same time, I would say, have been also very exciting for us as an Organization.</p> <p>To start with, as you're all aware, majority of our key segments had completely collapsed. Be it the School Segment, the Tour and Travel Segment, the IT Staff Transport Segment. So business from a utilization perspective had hit, and all almost all time low of close to about 30-35%.</p> <p>Similarly, with Covid came in the significant escalation and the raw material costs, and therefore profitability in addition to the impact coming into low utilization also, you know, took a very big detail. And this also got further aggravated with the fact that majority of our business moved from, you know, sales with the trade to sales, with the government and typically government businesses have a long gestation period is at least in terms of you know the time it takes to recover the monies from the government. So that also further put in a lot of cash flow, you know, stress on the organization. However, we took the opportunity, as also mentioned briefly, by the Chairman, where we, you know, put in strong efforts and we initiated several programs on cost reduction in the organization. These cost reduction programs were, you know, focused on operational overheads reduction. We worked on the value engineering, yeah Bill of Material, or the BoM cost reduction, which also was a focused effort which was a long program. This was a program for almost one year that we ran where, for all the key platforms, we worked on value engineering and value optimization from a BoM perspective. We worked on Manpower Optimization, we took the opportunity to right size the organization and similarly also took a strong effort on, you know, controlling our sales and distribution expenses. Now, all of this effort over the last, you know, I would say, close to 2 years has helped the Company now in period of recovery. And from an economic perspective for us, key business started to recover in the last quarter of the last financial year. That's when majority of our key segments be it School, be it Tour and Travel, IT Transport all these segments started to open up, our numbers started to go up raw material cost which we had worked on very</p>

diligently to bring it under control from our perspective. And also the softening of the raw material cost helped us to improve our bottom lines.

While, the domestic market currently is performing very well and this is reflecting in our significant increase in our volumes that you have seen over the last 2 quarters. This has clearly resulted in a significant improvement in the Return of Capital employed as an organization has also improvement in our asset utilization, which is all resulting into, you know, much better and healthier EBITDA margins.

In addition to the domestic market performing well, we have also started focusing significantly on Export Markets. And what is coming out very clearly for us as an organization is that, you know, while we have significantly, you know, new platforms which have been created over the last 5 to 6 years. But, there is also a lot of potential and joy in leveraging our existing platforms which are historic platforms, but are still very valid and current to the market, and we are seeing, you know, good joy in terms of export markets, because also export markets have recovered. And for us the focus markets were, you know, the African Region, the Middle East and our neighboring countries. But post-covid, even these markets had economic, you know, challenges, and therefore exports had slowed down. But as economic revival has happened across the world significantly and specifically so in our markets, we are also seeing some good numbers coming up on exports which should also help us further improve both our top line and our bottom line as you move ahead.

A quick, you know, summation on the components business, both our components business, which is predominantly with BMW and Mercedes, continue to remain steady and are growing well. It is expected that the premium luxury car market or the premium luxury SUV market will continue to grow in India, and therefore we expect our numbers also will continue to grow. We are also making very strong efforts in seeing how we will move up the value chain with these premium customers, so that as they move into new technologies, be it Electric Vehicles, and so on and so forth. Our team desire is to also, you know, make sure that we have some play in, you know, these new technologies with our premium customers as well as our aggregate businesses. In addition to that, I would also expect with the current, you know, global situation in terms of the China Plus One Strategy, I think that should also open up some more opportunities for us in terms of leveraging our relationship with our existing aggregate or component business, you know, premium customers.

Now, over the last I would say 5 to 6 years, the Company invested significantly in creating 3 grounds up a new platform, the first platform being the T1N which is now called as Urbania. This platform has now gone into serial production. The objective, with this platform, at least from the domestic market perspective, is to create a complete new segment of premium mobility, which is targeted towards a Premium Tour and Travel, Premium Hospitality. And I'm very happy to say that the product has been very well accepted. The product is doing well, the aspect on this has been much appreciated both by the fleet operators, as also by the end users, and we expect this product, you know, slowly but steadily to, you know, play a significant contribution in both our top line and bottom line generation as we move forward. Similarly, with the Urbania beginning next year onwards, we will really start the focusing on the export markets as our LHD applications on the Urbania, and also with various emissions standards will qualify with all the required a homologation certificates, and next year onwards, we should be able to also push the Urbania in to our focused international markets as well.

The other platform which has been created as an excellent platform. It's a real you know, product differentiator into the market is our Monobus or the T3 Platform which was created. This platform was totally led, created, I would say, designed by the Chairman. And it's really a great differentiator product in the market. And it's not at all a me-too product. What is excellent

about this product is the total cost of ownership which comes out of it being lightweight, and therefore, is much more fuel efficient. The ride and handling is excellent. And this product has now enjoyed just one year of you know, serial production, post the recovery from Covid, and I'm happy to share to share and state that in the first year itself. We have now managed to get close to about 6% market share in the seven- seven and half ton bus market, which is about the 33 Seater Segment space, and with the 41 Seater or the Nine Ton Bus Segment, we are now at close to about 1% market share. Now, clearly this segment, both the 33 Seater and the 41 Seater is a significantly large market. We have a strong product with very good differentiators to competition. And we will, you know, put in a lot of effort to make sure that we grow in this segment and thus build volumes, again helping to grow both our top line and bottom line.

The third ground up complete new platform which was created is the Trax Platform, which is again a Modular Utility Vehicle Based Platform. And this is again a very application friendly platform which is currently focused towards, you know, tier-2, tier-3 cities in terms of people transport. You know, certain applications on this are built as off road, or you know, more special vehicles. And this platform also gives us, a lot of opportunity in the future to, you know, takes the Gurkha, which is again a derivative of this Modular Utility Platform to see how we can push it into the Defense, because, the Defense can also be a big big opportunity for us as we move forward.

In addition to this, we are also looking at certain special applications. Be it first responder. We are looking at 4x4 Ambulances coming out of this platform. So, this platform has again a lot of joy and potential, which we will, you know, leverage as we move forward. Now that volumes have started improving, the whole economic situation is much better. So this should also bring us some more joy as you move forward.

In terms of Capex, the Company has always been very aggressive on investment, be it in new technology and upgrading products, in qualifying to the forthcoming safety and the legislative requirements. Keeping that in mind and keeping our aspirations on further improving our product platforms, we will invest approximately about 1,000 Crores over the next 3 years alone. This will be spread across multiple aspects, be it, you know, adopting new technologies, be it our investments in electric vehicle manufacturing, in electric vehicle development, be it in terms of legislative compliance, safety compliances, as also we are working on several new programs for improving the total cost of ownership for our various platforms to further make them more, you know, delightful for the end user or for the transporters that use these vehicles.

A quick point on our Joint Venture. This is our joint venture with Rolls Royce. This has enjoyed again the first year of full production, which was the last year as you will recall, the Joint Venture has started after a delay of almost 3 years, which was caused due to Covid Pandemic. Fortunately, it is now into serial production. However, it has certain challenges still as an organization or as a joint venture because of a 3 year delayed start, the whole economics in terms of you know the business case did get significantly disturbed. However, I'm happy to share that in the first year alone, we have done a turnover of close to about 240 odd Crores. And I think over the short term this should become a 500 Crores plus Joint Venture. And the key in this Joint Venture is to localize, to localize the engine which we are exporting out of India. I'm happy to share again that we have already achieved close to about 30% localization. And what is being targeted for localization as a percentage is close to about 70%. And what we are localizing in terms of components are critical components like the Cylinder Blocks, the Cylinder Heads, the Crankshafts, and Connecting Rods. So, these are all very high value critical components and once localized, should improve the, you know, the bottom line that this Joint Venture can also create. So, all efforts are being made to stabilize this new business and to leverage the capability of the Indian Tier 1 industry to quickly bring about state of the art products in local condition.

As an organization, currently, we are also running several new initiatives. We are now driving a major program on digitization across value chain in the organization. This is both on the front end, as also on the back end, integrating the back end with the customer base telematics, improving our front end channel capability in terms of reviving, not reviving, but enhancing the capability of our Dealer Management System, connecting all these data points. So this is a major program which we are initiating in terms of digitization. This will be a good year and half program with multiple modules which we will initiate.

Similarly, there is a major drive that we have started only about a quarter ago, which is on sustainability. And for any organization, sustainability today becomes a very, very important topic. And we are also taking this you know, with a lot of focus. We have trained about 18 people in the organization who have done course on Sustainability. We have also taken a third party consulting company who is supporting us with a complete roadmap, so that we know over the next 2 to 3 years period how each of our plants will move towards a more sustainable future, making it more green from an energy consumption perspective, making our bill of material in line with the concepts like reuse, recycle, recover, which are also getting mandated in the forthcoming future.

Another initiative that we are also driving now is, we are tying up with the leading educational institutes like IIM and also with BITS Pilani for doing a Senior Level Leadership Training Development Program. This is to further enhance and upscale the leadership across our top you know, levels. And also in our middle management levels.

So, while the above, I have, you know, with the above, I have given a general, you know, recap on where we stand as an organization, what we are doing to leverage our key product platforms and our focus on exports, our focus on growing and increasing our value addition in our components business.

Apart from this, there are also certain queries which have been asked by some of our esteemed shareholders. And I will only name a few of the shareholders who have asked certain questions. These shareholders are, Davos Finservices, we have, Mr. Shashikant Marathe, who has asked a few questions, Mr. Komal Gelani, Ms. Shruti Agarwal, and Mr. Shubam Jain. While most of the questions have been answered in some form or the other in the last few minutes that I have been speaking about. But, I would still like to reflect upon some questions specifically.

One question is about volumes have been strong in the last few months, do we expect this to continue going ahead? And yes, we are confident that volumes will continue to grow. Given the current economic situation and the strong stability in the economy. We are all aware about the propaganda and the actual fact about where we stand as a country, where we stand as an economy. So, I don't see any reason why we should be concerned whether we will be able to sustain the current growth trajectory that we are currently working on.

There was another question in terms of volumes. It would be right to say that we expect our volumes to grow in the region of 10 to 15% minimum over the next few years. I would not be, you know, hesitant to make the statement.

Another question asked was in terms of how many buses have we sold? As I mentioned earlier, this has been the first year of production for us with the manufacturing buses, I mentioned earlier. We've already come up to about 6 and a half percent market share. We have so far sold about 1200 units in the last one year, and we expect this segment also to contribute for us going forward.

Similar question being asked on the components business. As I mentioned earlier, the components business, we expect will continue to grow steadily,

and we should be able to see a 10 to 15% growth year-on-year at least in the short term, as you move forward.

Another question has been asked to say that there are certain unpaid statutory dues amounting to about Rupees 8 Crore and 88 Lakh in our books. I can confirm to you that these are disputed amounts relating to the Central Excise, Sales Tax and the Customs Duty of earlier years and the outflow or the payment of these views, is dependent on the appropriate authorities giving their decision. So these are all under Appeal. As soon as we have the decisions from the authorities, the governing authorities, these payments will be made. So nothing has been held back by the Company as such, deliberately.

Another question has been asked in terms of whether we are quickly paying MSMEs. I'm happy to state that there is no overdue payable in terms of payments to Medium and Small Medium Enterprises. Whatever is payable is being paid as per due dates, and we are fully compliant with the MSME Payments Regulations laid down by the Government.

Another question, again, similar, in terms of what is the expected EBITDA Margin and while, the current margins have improved to about 10 to 11%, do we expect similar margins to continue? The answer is, Yes, we will, you know, hope to ensure, or we will ensure to have EBITDA Margins in the 2 digit figures with the current situation the business currently is in.

Another question was where somebody has asked to say that our exports have reduced. On the contrary, I'm happy to state that the Company's exports have grown by 131% when you compare quarter-on-quarter, so exports is a focus area for us. And we would expect this to continue to grow for us in the coming near future.

There's also a question being asked that we have a significant amount of imports and that we are not doing much to, you know, follow the Make in India Concept per se. But I would like to clarify here that the Company strongly believes in Make in India. This has been the guiding principle, and the foundation on which the Company was founded by our Founder, Mr. N K Firodia. So, Make in India is something which is very strongly imbibed in our culture. However, what we are importing today is forced by our premium customers like Mercedes and BMW. And unfortunately, I don't really influence them in terms of saying what you localize and what you don't. Whatever we can localize, we definitely support them. So, that's where the bulk of the import content is coming in from.

There was also another question on the Capex, which I've mentioned earlier. About 1,000 Crores is what we are expecting to invest over the next 3 years.

There was another question on what we are doing in terms of conservation of energy, and I would like to suggest and request that in our annual report you will find the Business Responsibility and Sustainability Report. This is a comprehensive report on what we are doing as an organization on sustainability. And I also mentioned to you that we are creating a 3 to 5 year roadmap as an organization which will clearly specify at plant level what initiatives we will take, and how we will drive towards a more sustainable and a greener future, as we move forward.

Another question is on the current capacity utilization, the current capacity utilization has improved significantly, which is resulting in the good numbers that we are achieving. We still have capacity wherever capacity needs to be enhanced or created; the company is taking appropriate steps to further enhance our output. I don't see a challenge on that. And this is also reflected when you look at our Return on Capital Employed, our Asset Utilization figures. These are also significantly improved.

And another question was asked on the development of Electric Vehicles. Yes, clearly, the Company is working on Electric Vehicles. The Chairman

	<p>also mentioned that, the transition to Electric Vehicles depends segment to segment. It's not that the Commercial Vehicle Segment will move very rapidly the transition will be much slower in these vehicles as compared to the transition that you can see happening on the Two-Wheeler side or on Individual Mobility. However, having said that I'm happy to state that our Electric Vehicle Platform is currently under validation trials and we are expecting that next year, somewhere around mid of next year, we will start fielding our vehicles into the market to, you know, gain feedback and slowly move forward also on Electric Vehicles.</p> <p>So, I assume I have, answered majority of the questions. With this, I would like to once again thank you for your time and the attention, and I would like to now hand over to the Company Secretary to carry on with the further proceedings of the AGM.</p> <p>Thank you.</p>
<b>Company Secretary</b>	<p>Thank you, sir.</p> <p>Before we move ahead, with the permission of chair, I would like to mention that Mr. Arvind Mahajan, Independent Director of the Company, and Mr. Prashant Inamdar, Executive Director - Operations have requested leave of absence from attending this Meeting.</p> <p>Apart from directors present, we also have, Mr. Suhas Deshpande, Partner-Kirtane Pandit LLP, the Statutory Auditors of the Company and Mr. I U Thakur, Secretarial Auditor, who have also joined this Meeting through video conferencing.</p> <p>Now, I request the members who have registered themselves as a Speaker to express their opinions in brief and precise manner. Only those shareholders, who have already registered as a Speaker before Specified Date that is up to 22<sup>nd</sup> September 2023, will be allowed to speak. Kindly, restrict your comments to a maximum of 2 minutes.</p> <p>One more thing I would like to mention that, we had received few suggestions from our shareholders which Management and us have taken on record. Once your name is announced, you'd be placed in the Meeting. Kindly unmute your microphone, switch on your camera and then speak.</p> <p>I will now start announcing the names.</p> <p>Mr. Hiranand Kotwani, you will now be promoted as a Panellist. Kindly accept the request to continue.</p>
<b>Company Secretary</b>	Mr. Kotwani,
<b>Chairman</b>	You are on Mute.
<b>Hiranand Kotwani</b>	Yeah, yeah. Am I audible?
<b>Company Secretary</b>	Please switch on your camera. Please go ahead.
<b>Hiranand Kotwani</b>	<p>Yeah, yeah.</p> <p>Thank you, Sir, thank you, it is a great pleasure to join you from Kalyan.</p> <p>Gentleman, Mr. Abhay Firodia, certainly you have turned the table. The Company has done well. Salute to you, but certainly the dividend is same.</p>



	<p>You have improved every field, and your concern is well taken. Even the Covid is a little blessing and disguise for our company. Huge orders for the you are what are called this medical help at these ambulances.</p> <p>But what is the order position in this year, and the future used to be because you are the master in this particular field. Mr. Chairman, I salute you. But what will the bonus? You have not rewarded the investor for the years.</p> <p>Long, we are waiting for your investor reward. Bonus and split. What is your call in this regard?</p> <p>But certainly, what this gentleman explained all these things? No question to be asked. This gentleman, young yeah, is but what is your call on the future growth, market, global market and the reward to the minority investors.</p> <p>Thank you and good luck.</p>
<b>Chairman</b>	<p>Thank you. Nikhil, you want to call the next speaker.</p> <p>You're on mute.</p> <p>Who is the next speaker?</p>
<b>Company Secretary</b>	<p>Yes, Mr. Vishal Srivastav,</p> <p>You are now promoted as a Panellist. Kindly accept the request to continue. Please switch on your camera, unmute yourself and speak.</p>
<b>Vishal Srivastav</b>	<p>Thank you for taking my question, sir, and congratulations for phenomenal numbers we have seen quarter-on-quarter for last 5-6 quarters post Covid.</p> <p>Sir. I have 2-3 questions, basically from our Mercedes and BMW business I want to know. In this Mercedes and BMW business, what is our wallet share in in the kind of product we supply to them?</p> <p>My second question, do we also cater for Mercedes and BMW their global requirement? Or it is just Mercedes. It is just the India requirement.</p> <p>Sir, my third question is regarding Force MTU business? What is, you know, when are you expecting, this business to turn around at operation level? At what is our breakeven point? Are we expecting a turnaround next year? And you know, if you can provide some kind of visibility in in in that regard.</p> <p>And sir, else, Most of the questions are being answered by Mr. Firodia, and very, very nice and elaborative explanation.</p> <p>Thank you, sir.</p> <p>These were my questions. Thank you very much, sir.</p>
<b>Chairman</b>	<p>Thank you.</p> <p>Nikhil, you may please call the next panellist to speak up.</p>
<b>Sagar Gudhate – NSDL</b>	<p>Nikhil sir you are on mute.</p>
<b>Company Secretary</b>	<p>Yes, the next speaker is Mr. Sagar Saxena. You will now be promoted as a Panelist. Kindly accept the request to continue.</p>

	Mr. Sagar Saxena, kindly unmute, switch on your video.
<b>Sagar Saxena</b>	Yes. Am I audible?
<b>Company Secretary</b>	Yes.
<b>Sagar Saxena:</b>	<p>Okay.</p> <p>Sir. Most of my questions have been answered. I just wanted to understand a few things better.</p> <p>So first of all, our exports, even in FY 24 have been fantastic. Even in August our volumes were amazing. So what is leading to this amazing growth in exports, and whether it is sustainable or not?</p> <p>Secondly, our EBITDA margins have expanded to 12% in Q1 and this is unlike what we used to do in pre-covid days. So what explains this large expansion? And How sustainable is it? And would you say there is any scope for further improvement in margins?</p> <p>And my next question would be on tax rate. So our tax rate seems quite high at 36%. Even in the recent financial years it was quite high. So when do we come to the 25-26% tax rate, or what would be the tax rate going ahead?</p> <p>And sir, small request, I would request you to do at least one conference call in the financial year or have some press release accompanying your result's pdf, so that we have some better handle on what the management is thinking and what is the strategy for the coming years and for the ongoing years. So that's all.</p> <p>And Congrats on a fantastic FY23 and All the Best.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>The next speaker is Mr. Yashvee Kothari.</p> <p>Mr. Yashvee. You will not be promoted as a Panellist. Kindly accept the request and continue.</p>
<b>Chairman</b>	Please also switch on your camera.
<b>Company Secretary</b>	Yes.
<b>Chairman</b>	It is comfortable to see who you are talking to.
<b>Yashvee Kothari</b>	<p>Yeah.</p> <p>Thank you so much for the opportunity. So majority of the questions have been answered so, but but still I have, you know, few questions to ask here.</p> <p>So, what are the margins? Different margin difference between the Vehicle and the Tooling in our Engineering Business.</p> <p>So like has already told by the Managing Director. Just, I want more insights into, let's say, for the Engine Business, right? We make engines. Sorry we assemble engines for Mercedes and BMW. But if if you look at the</p>

	<p>Commentaries, Mercedes aims to go. Oh, you know, sell 30% of the cars in India by 2023 as EVs, and same target and target for BMW is around 25% of the car sold will be EV. Do you know that portion of the business for us? Us will be good will be gone right, although the ICV Business will grow. But this portion of the business will fully go on. So what are the steps, and what base are you looking to? You know? so you know, carry on this part of serving them, except for the IC vehicles, too.</p> <p>Also, so I just wanted to know since what, since our 3 major market is bus, staff and tours and travel, and if you can give an idea of what are the share of revenue from this 3 segments and also correct me if I'm wrong. I heard this. We haven't so like we haven't exported any Urbania right? Because so what I understand here is that Urbania price cost is around 30 Lakhs, right? And when we compare it to, let's say the competitors on. Of course Urbania has its own class in when it comes to luxury. But you know India is a very price sensitive market. So talking about that. So just talking about this is this product, particularly for the export market, because if you look at the export, you know the export market this kind of car seller on 40 to 45 lakhs. So I think there there will be an edge for Urbania. Also. you know, I just wanted to know the reasons for such an high margin last quarter. Right? Which around 12% right? You know, our margins have been around 8 to 9%. So what were the reasons for such a, you know? Jump in the margins? And will this be sustainable?</p> <p>So and last question is, so what kind of revenue do you see from this coming from this Scrapping Policy? Once it gets implemented for the private vehicles also.</p> <p>So that's all about it. Thank you so much.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>The next speaker shareholder request is from Manan Patel.</p> <p>Mr. Manan Patel, you will be promoted as a Panellist. Kindly accept the request to continue.</p> <p>Mr. Manan, kindly unmute yourself, switch on your camera and please speak.</p>
<b>Manan Patel</b>	Am I audible and visible?
<b>Company Secretary</b>	Yes, very much.
<b>Manan Patel</b>	<p>Thank you for the opportunity, Sir, and first of all, I would like to Congratulate you on the kind of performance in last financial year and further also, if I go around my city and look at this category of way cause I find lot of force travelers around, and it's clear, very clear, that you are a very dominant player in the segment. So congratulations for that as well.</p> <p>Sir, most of the questions has been addressed by Mr. Prasan in his speech, and you also already alluded to the EV Part. So I have just a few more questions left.</p> <p>So so first of all, I would like to understand, since, we have been we have been mostly a player of catering to B2B Businesses. And now, when I see Gurkha and Urbania. So I don't know, if, Urbania is being sold as a private vehicle as of now. But it might be sold in the future. So if I see the Urbania and the Gurkha as private vehicles. Do we have the kind of service centers and kind of sales team to cater to those kind of clients who are sort of B to C</p>

	<p>more than a B to B? Because one feedback I got from reading forums on Gurkha is that the service centers are same as and they are very few and far and they are same as those for maybe the Travellers. So a lot of customers might not be comfortable going there. So I wanted to understand if we are geared up to sell personal vehicles in in in next few years?</p> <p>Secondly, Sir, I would like to understand. While, I understand we don't give a breakup of margins in each of our business, but it would be great if you could give us a sense or a ballpark number of margins in the CV Segment, as well as the Component Business. So over a period of time we can understand how it will pan out and given a slew of new launches in our CV business? Do we expect the component business or engine business to go down as a percentage of revenues in next 3 to 5 years?</p> <p>And sir lastly, I would like to understand our policy of R&amp;D Capitalization and over a period of time. So last year we had around 122 Crores of a write-off, which was a gross number, and 20 to 100 Crores was a net write-off number. So! How do we think about capitalizing and writing-off? And do we expect write-off given the nature of business in next few years,</p> <p>And lastly, with 1,000 Crores investments in Capex and R&amp;D over next 3 years, do we expect our debt levels to come down from 900 odd levels at present.</p> <p>These are my questions. Thanks a lot for opportunity and congratulate. Congratulations and just serve one last feedback as a previous shareholder also mentioned. It would be great if you have some investor presentation along with your quarterly numbers, and if once in 6 months, if you hold investor calls, it would be great, because kind of Company we are, we should not be trading at a 5,000 Crore market cap we are, we should be much more than that. So I would love to see some steps on that as well, thanks a lot.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>The next speaker shareholder is Mr. Komal Gelani. Mr. Komal, you will now be promoted as a Panellist. Kindly accept the request to continue.</p> <p>Mr. Komal, kindly use unmute your microphone, switch on your camera and please go ahead.</p>
<b>Komal Gelani</b>	<p>Hi Sir</p> <p>I have 2 questions mainly on our JV with Rolls-Royce. Wanted to know what has been the profitability there? Any ballpark figure if you can give in terms of margin? And what the expected margins once we achieve turnover of 500 Crores that you mentioned? And just to confirm if I heard correctly the Capex number that you mentioned over next 2-3 years is 1,000 Crores?</p> <p>And the last question is on the RM front. Are we taking any measures to host the RM costs so that the repeat of what we witnessed last one to years can be mitigated?</p> <p>That is itself from my side.</p> <p>Thank you.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>The next Speaker Shareholder is Mr. Shubham Jain.</p>

	<p>Mr. Shubham Jain, you will now be promoted as a Panellist. Kindly accept the request to continue.</p> <p>Mr. Shubham. Kindly switch on your cam microphone switch on your camera and please speak.</p>
<b>Shubham Jain</b>	Hi, I hope I'm visible and audible.
<b>Company Secretary</b>	Yes.
<b>Shubham Jain</b>	<p>So most of my questions have been asked and have been addressed earlier. I just had one question. So if you see over the last 2-3 years, we've invested heavily in our apex and in R&amp;D, and we see the output of that in terms of the Urbania Platform and the Chats Platform and the Monobus platform we built. So for the next 2-3 years? Are we looking to expand on these existing platforms, or are we planning to add new platforms? Because, there were articles that spoke about a multi-purpose vehicle so just wanted to understand a little more as to how we're thinking about expanding our product profile? And what segments are we looking to develop more platforms in?</p> <p>The second piece was again, you know, if you look at our volume numbers it's ramped-up significantly in the last few months. But when we look back from an FY16 perspective broadly, we had a 30 to 33,000 vehicles that we used to. you know, sell. But our profitability and EBITDA have increased from around 280 Cr. to northwards of 450 Cr. So has this been contributed largely because of the Component Business? And you know, what is the contribution that is now coming from the Component Business in terms of our profitability vs. our traditional vehicle business? and given that, you know the amount of Capex that we've done. I'm assuming there's a lot of operating leverage still to the play. So is this 10-12% now, a new base in terms of our profitability?</p> <p>Those are my questions. Thank you so much.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>So we have next Speaker Shareholder, request from Ms. Shruti Agarwal.</p> <p>On behalf of Ms. Shruti Agarwal. Mr. Ankit Mittal will be speaking, Mr. Ankit, you'll now be promoted as panelist. Kindly accept the request and continue.</p> <p>Mr. Ankit, kindly unmute. Switch on your camera and speak.</p> <p>Mr. Ankit, are we audible?</p>
<b>Ankit Mittal</b>	<p>Yes, too? Hello! Thank you. For the opportunity. Yes Sure.</p> <p>For some reason, I think. Camera is not working. I just pursued the questions.</p> <p>So I would like to congratulate Chairman, sir and MD, sir, for great performance last year, and the current like last 4 months performance we have seen. Like most of the questions have already been answered just few questions from my side, I think, MD sir mentioned that the growth expectation is for 10 to 15% given that, we are coming from such a low base of last year. Are we? Are we being conservative and like, just wanted to</p>

	<p>know the reason for low growth, outlook, or like, what is the growth expectation for this year.</p> <p>And Secondly, on can we just segregate the growth in terms of like old products and new products like the legacy products and the new launches we have done in the last one year or so? Can we have the backup of what? what? Which products have been driving the growth in last one year?</p> <p>And MD Sir has also commented that we'll be starting the exports of Urbania starting next year. So can we know the estimate of how big the export market can be for Urbania? Can it be like a bigger than the domestic market? or like, if we can get rough size.</p> <p>And last question from my side is that in FY22 our fixed asset jumped by almost 800 Crores. Can we have the like breakup of where was this invested?</p> <p>And also about the recent comment that we are going to have a 1000 Crores Capex in next 3 years? So which products are we going to invest? Which platforms are we going to invest? And yeah, which? Yeah. And the last question was on the debt. I think which has already been asked by the previous participant.</p> <p>Thank you.</p>
<b>Company Secretary</b>	<p>Thank you.</p> <p>So with this, we are at the end of Speaker Shareholders' list. I now request MD, sir, to please comment.</p>
<b>Managing Director</b>	<p>Chairman, Sir, would you like to answer, or?</p>
<b>Chairman</b>	<p>I could answer a few of these questions. You may like to answer first and whatever you want me to come in on. I could, if I can, I would contribute.</p>
<b>Managing Director</b>	<p>Sure. a question by if I'm not mistaken, Mr. Shrivastav, asking about the wallet share of BMW vs. Mercedes.</p> <p>I am unable to share any specific details, because we have very strict confidentiality agreements with both these very premium customers. You have to understand. They are highly competitive in the marketplace. Both these products go head on head with each other. Both these brands go head on head, so I can't share more details apart from the fact that we are predominantly catering to their domestic requirements.</p> <p>At times, both Mercedes and BMW do take certain quantities from us for their export requirements as well. But it's predominantly a domestic, you know, supply from our side, which is across their entire product platforms, both cars and SUVs.</p> <p>There was another question by the same gentleman about the turnaround that the Joint Venture. As I mentioned earlier, we've only had one year of steady production. We expect this year our emphasis that this year should come to where we we'll try our best to bring in into a 0-0 situation, which is a, you know, a breakeven situation, because it's been a 3 year delay in the start of that project. So a 3 year delay has a lot of financial challenges that are then put onto the balance sheet of any organization. When your business starts 3 years with delay, while investments are already made prior to the 3 years. So, hopefully going forward, I would expect from the next financial year the Joint Venture should start, you know, contributing in a in a</p>

good manner to us as well. That would be our objective. Clearly.

Mr. Saxena, I think, asked about exports, and I think his question was, why are the exports growing? I think you should be happy that our exports are growing. The fact that you know the last 2 years our focused export markets are predominantly the African belt, our neighbouring countries and some parts of the Middle-East were also, you know, restricted from a Covid perspective, were also getting challenges from an economic stability in those respective markets as well. However, we see now even our neighbouring markets, such as Nepal, Bangladesh, have much improved economic activity. Therefore the markets have opened up for us. The African belt has tremendous possibility in terms of export, in terms of what we can push over there, both on our existing platforms, as also our new platforms. So I would export, I would expect exports to continue to grow. And this is something which we will push as well as an organization.

There was a question by Mr. Kothari about the Urbania price. So let me first and foremost mentioned that the Urbania is a unique product. There is no product in competition to the Urbania. I didn't really understand your question. Are you not happy with the price that we have got, which is a good price, which gives us good margin? Or do you want us to reduce the price of the product? Having said that at 30 lakhs rupees, it's a good positioning in the market. People have appreciated the product. Both the end users, as also the fleet operators have created a very strong image for the product. So the pricing, I think, is pretty good in terms of the opportunity with this product on the International Market, clearly there is a huge opportunity, because the market for an Urbania kind of product at the international level is significantly larger than the domestic potential. In the domestic market, we have to create this new segment, we have to create this segment of premium mobility and which we are doing so. But when we start playing on the international market we should be able to get hopefully much higher numbers as well.

Mr. Patel's question, if I'm not mistaken, was about the Gurkha and the Urbania, whether they are private vehicles or commercial vehicles. The Urbania has also now started getting approvals as a as a, you know, as a Private Vehicle. So that does open up another segment for us. Clearly, as an organization, you know, the last 3 years have been very challenging, not just for us, but also our front end.

You know, if we are not producing vehicles, if we are not selling vehicles. It directly impacts the, you know, the economic status of our channel. And most of our dealers were also struggling over the last 3 years, because the volumes had dropped to all time low.

So the question is, at what time and at what you know point, can you go back to your channel and say that you need to correct on X, you need to correct on Y, and you need to correct on ABC, you can only do that once there is a certain revival. Fortunately, the revival has happened in the front end. If you look at, you know simple aspects such as a number of job cards being created in the network number of retail happening per dealership. All of this is moving in a very positive direction. The spare parts rollout per dealer has gone out significantly.

So the viability of the Channel has improved. Now, while the viability of the channel has improved, we are now, you know I didn't mention this earlier, because there was too many things already that I had stated. But another drive that the Company is currently working on is Service Crusade. So the objective is to improve our channel capability, both in terms of service times, both in terms of response to customers, you know, salesman training, service training and enhance the capability of the front end.

Once we are able to do this more effectively, our approach to the personalized customer will improve much better, and I do completely appreciate and understand that we are traditionally a commercial vehicle manufacturer, moving into a more personalized space and it will take some

time, but this is something which the Company is working on.

There was also another question on the component business going down. I do. I'm not too sure now who asked that question, but somebody did question to say that. Oh, you know, Mercedes is now moving to 30% EVs and BMW has given another figure.

I think we have to appreciate 2 points, Point number one being that the market itself will enlarge. So the premium car market in India has been growing over the last few years, and will continue to grow, and, as also earlier mentioned by the Chairman, ICE vehicles are not going to die. We may probably see a faster transition from Diesel to petrol, but it will not be a very rapid transition on the EV side.

So we will continue to offer, you know, our ICE engines to both these premium customers, and every effort is being made to see how we can move with our premium customers to newer technologies and continue our business with them.

There was another question from Mr. Gelani about the Rolls Royce profitability. I did mention that our target is to quickly come to a level of 500 Crores, and of course every effort will be made by the Management to bring it to a cash positive situation. I don't want to put a number in place, which at the next meeting you will again question to say, Oh, you did say X, and you ended up with y, Why? So, but the objective is to bring it to a cash positive situation as soon as we can. And we have to remember very important that it's only the first year of business operation. It's very rare to get any business which gives you a breakeven within the first year.

So you know, even if you have to sustain that for 3 years, I think as an organization we should be willing, and as shareholders. I think you should be happily supporting the organization to sustain a 3 year, you know, payback on any venture.

Mr. Jain's question was about, are we expanding into new platforms? I would say, you know, are we happy with the bottom line creation? Are we happy with volume, generation, or who we want as an organization to only create more products.

I think. We should take this opportunity after this, you know, very constrained period of the last 3 years to now really leverage what we have as existing platforms where there is still a lot of potential across our existing platforms and the platforms on which we have put in a lot of money. So the objective of the organization should be to really leverage these platforms, bring in higher, you know, return on equity, better asset utilization and end of the day, the bottom line is to also have a good bottom line, which is happening right now. So I think over the next 2 to 3 years, the objective should be to leverage what we have. Parallely, as, and when we see opportunities to diversify into any new segments. When we see there is a good potential to get return. Of course the Company will look at those opportunities as well.

Ms. Agarwal, I think, or sorry, Mr. Ankit Mittal, who turned up in place of Ms. Agarwal, did question about you know, having said that we expect to grow at 10 to 15%. Are we being pessimistic? Yes, while our numbers in terms of growth have been significantly higher than the 10 to 15%, I would say, you know, being pessimistic is a little better off than being overly optimistic. Clearly we will strive to do better. If the market continues to remain buoyant, and which we expect to, you know, is the general expectation. I think we should be able to see good progress going forward as an organization.

And lastly, I will only answer this one, which was Capex, where are we investing? I mentioned earlier, the investment will happen in terms of various across the value chain. It will happen on digitization, it will happen on legislative requirements, it will happen in reference to Emission Compliance. We will also move to a next level of emission. As we come into 26 or 27, we



	<p>are investing significantly on Electric Vehicles. The investment is not just on capability to manufacture / to develop EV. It is also we will have to invest in making the EVs.</p> <p>So there's investment coming across those fronts. And we are also putting in various programs now to further improve the total cost of ownership in terms of what we have as our existing platforms. So this is in rough where the investment is going, and of course the investments will also be needed to generally upgrade the infrastructure further across the organization.</p> <p>So over to you, Chairman, Sir.</p> <p>Sir, you're on mute.</p>
<p><b>Chairman</b></p>	<p>Thank you, Prasan. I think you have very well covered the questions from the shareholders. And I believe, they have every reason, and they have said so, to be happy about the performance and what is seen as a conservative statement of the expectations for the future, I would only make 2 remarks.</p> <p>One is about Make in India. I must say that as a Company which is celebrating its 64<sup>th</sup> year completion, we have seen the pioneering times like very, very few companies in India have. You will be surprised to know that the first license we got for making the Three Wheeler Tempo Vehicle. There was a license for making 1,000 vehicles per year.</p> <p>It was a very embarrassing situation to discuss, who is our suppliers and our collaborators. Then our licensing license capacity, 1,000 vehicles per year, which means you make about 80 vehicles per month, or something like 4 vehicles per day, or 3 vehicles per day. And that was with the compulsory demand that you make 80% of the purchase / the content local in the first year and 95% in the second year. This is something, if you tell any international manufacturer; he will stop talking to you. Please understand that the founders of this Company fought that situation, and they won. They built within the capacity, and they built with the local content requirement. So we pride ourselves on the fact that we are a Company which truly believes in Make in India far, far before this slogan was introduced. And I'm very happy to say that today; a lot of what we are doing is in-house technology development. In the automobile industry, we have among the highest percentage of technology spent to sale. That goes a long way to say how we look at Make in India and how we look at even technology development by ourselves. So that is one question.</p> <p>And Mr. Kotwani from Kalyan wanted to know about Bonus. I feel that the Bonus is an outdated concept. Mr. Kotwani, in Kalyan, the climate is very good, you should be happy with a good return, and let's all hope that the return that we are able to do in the future is a bit better than what we have done in the past. At least, the Company's returns are looking very positive right now.</p> <p>I think with that I can say that whatever clarifications are to be given have been provided to the shareholders and we should now move to the next part of the Meeting, and I have to read out the the resolutions.</p> <p>So let me say that the resolution number 1 which is an ordinary resolution says, to adopt the financial statements of the Company, including the Consolidated Financial Statement for the year ended 31<sup>st</sup> March 23, including the Report of the Board of Directors and Auditors. This need not be seconded.</p> <p>So we will. yeah, I will read all the resolutions, and then they will be put to a vote later.</p> <p>The resolution number 2 is to declare dividend at rupees 10 per share, which is a 100% dividend for the financial year ended 31<sup>st</sup> March 23. This</p>

	<p>needs to be seconded.</p> <p>Then resolution number 3. Ordinary resolution to appoint a director in place of Prashant Inamdar, who retires by rotation, and, being eligible, offers himself for reappointment.</p> <p>The resolution number 4. Ordinary resolution. This we do as a matter of practice every year, where a Company which believes very strongly in Social Responsibility. We have been socially very responsible as a group long, long before the Government dreamt of the idea of Corporate Social Requirement or Responsibility. I have always been saying, and I said to the Minister of Company Law at that time that you are talking about Corporate Social Responsibility, what about government's social responsibility? You take so much tax from us. So we do believe in CSR, and therefore we would like, whether or not CSR eligibility. There is another matter. We traditionally pass a resolution to enable the Board to take a decision on supporting any causes that we want to, and a fund of Rupees 25 Crores is being proposed this year. Contribution to Charitable and other funds up to Rupees 25 Crores during the coming year.</p> <p>And the resolution number 5 is ordinary resolution. Appointment of Joshi Apte &amp; Associates, Cost Accountants to verify and review the cost records of the Company on a remuneration of Rupees 260,000.</p> <p>So the resolutions are already been circulated to members and are taken as read.</p> <p>And I will ask the Company Secretary to provide General Instructions to the members regarding the e-voting.</p> <p>Over to you Nikhil. Thank you.</p>
<p><b>Company Secretary</b></p>	<p>Thank you, Sir.</p> <p>Before that I would like to mention that there is no qualification, reservation, or adverse remark made either by the Statutory Auditors of the Company or Secretarial Auditors in their respective reports for the financial year ended on 31<sup>st</sup> March 2023.</p> <p>So, with the permission of Chair, I would like to mention that the Company had provided remote e-voting facility to its members to vote for the resolutions set forth in the AGM Notice. The remote e-voting process was kept open from Monday, 25<sup>th</sup> September 2023 from 9:00 a.m. onwards to Wednesday, 27<sup>th</sup> September 2023 till 5:00 p.m.</p> <p>Further, the members who have not exercised their vote electronically through remote e-voting will have an opportunity to do so through an e-voting system provided by the NSDL. The members can click on vote tab on the video conference screen to avail this feature.</p> <p>The Board of Directors has appointed Mr. Parag Pansare, Practicing Chartered Accountant, as a scrutinizer to supervise e-voting process. The results would be declared as per statutory timelines, and will be available on the website of the Company, BSE Limited as well as NSDL.</p> <p>E-voting will remain open for 15 minutes of the conclusion of the Annual General Meeting.</p> <p>I now request Chairman to give his closing remarks.</p> <p>Thank you, sir, over to you.</p>

**Chairman**

Thank you very much. I want to thank the directors, the auditors, and all shareholders for participating in this Meeting. I hope the description of the business or the comments made by myself and the Managing Director provided you the necessary insight.

Please rest assured that we are committed to an efficient business. We are committed to a Make in India Attitude. We are committed to Very High Technical Standards and we are committed to Growth. But we are not committed to Growing Everywhere and Anywhere. We have a focused approach both to the technology and to the product platforms and our plants etc. So you will, I hope, have reason to be enthused with what is happening and what is expected to happen in the marketplace in the coming years.

Thank you very much.

And with that, on that note I would like to close the Meeting.

Thank you once again, and good bye.

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